



THE INDEPENDENT

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Forget Cézanne, modern art was made in Britain

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Bound, blindfolded, gagged and held in a cupboard for 9 days

Greek shipping magnate in kidnap ordeal

JASON BENNETTO and WILL BENNETT

A wealthy Greek shipping magnate, who was drugged and locked in a cupboard for nine days, was freed by the police following an undercover operation in which four men were arrested. It was revealed yesterday.

George Fraghistas, 43, the director of two ship-management companies, yesterday described his ordeal in which his captors are understood to have demanded up to £10m in ransom.

However, there was speculation last night that the kidnapper's may have mistaken Mr Fraghistas, who is a member of a ship-owning family, for his multi-millionaire cousin, also called George Fraghistas.

Mr Fraghistas, the kidnap victim, appeared severely shaken but surprisingly healthy at a news conference yesterday, despite having been handcuffed, blindfolded and forced to wear earplugs while in the 6ft by 3ft cupboard in a house in Maida Vale, north-west London.

Two French and two Greek men were last night being questioned by the police following their arrest on Tuesday evening in a police operation involving about 100 officers. The police are believed to have located the suspects after tracing their calls made on mobile telephones to Mr Fraghistas's family in London and Athens. Two of the suspects were arrested while making a ransom demand on a car phone.

Mr Fraghistas was kidnapped at 6.20pm on Sunday 24 March after he parked his car in Larnark Road and began walking to his home in Maida Vale. Four men bundled him into the boot of a car, where one of them handcuffed him and put sticky tape over his mouth. He was driven



Kidnap victim: George Fraghistas survived being drugged, blindfolded and locked in a cupboard for nine days

short distance to a three-storey house at 5 Hogan Mews. Throughout his nine days locked inside the cupboard, which had just a chair in it, Mr Fraghistas, who is single, had a mask placed over his head. For the first few days he was kept handcuffed and forced to wear earplugs. He was also made to take tranquilisers and his kidnappers threatened to kill him. For the first four days he only drank water, but later ate food including Kentucky Fried Chicken. During his captivity he lost about a stone in weight.

Thirty-six hours after his abduction his kidnappers telephoned his family in Athens and demanded a multi-million pound ransom. They immediately went to the police and

Scotland Yard's Specialist Operations Department were contacted. Several members of Mr Fraghistas's family, including his mother, travelled to London to continue the negotiations.

Mr Fraghistas was forced to make tape recordings which were played over the telephone to his family. The kidnappers made more than 50 calls.

But while they were carrying out their negotiations, police from the Metropolitan Police's Organised Crime Group and the Directorate of Intelligence, mounted a massive surveillance and undercover operation. It is understood that detectives staked out large parts of north-west London after tracing the ransom calls.

Late on Tuesday night police

arrested two men in a car in Golders Green, north-west London, as they were making a ransom demand to the victim's family. Two other men were arrested shortly afterward, one outside the house where Mr Fraghistas was being held and one inside it. Mr Fraghistas was found locked in the cupboard. Police described him in a state of shock and suffering extreme distress. He had bruising and grazes to his wrists, but did not need any hospital treatment.

At least five guns were recovered from the house.

Speaking at a news conference yesterday Mr Fraghistas, who was trembling, said: "This has been a terrifying ordeal for me and my family. I feared for my safety and wondered if I would ever be freed. I am grateful to the Metropolitan Police service for my release." He added: "It is very difficult. I am not in a position to really be able to describe the things that happened. I am still in shock."

Commander Roy Ramm, head of Scotland Yard's Organised Crime Group, said: "This was quite clearly a specifically targeted and carefully orchestrated kidnap carried out by a team who had clearly been planning it for some time."

Mr Fraghistas has lived and worked in London for several years. He is a director of two companies which manage eight ships, some of them massive bulk carriers and oil tankers. He was a member of Greece's Millionaire's Club in Piraeus, which is a reference to the tonnage of their fleet rather than their bank balance.

His principal company is World Carrier London which has offices in Albemarle Street in Mayfair in the West End and a subsidiary called World Carrier Management which manages three ships.

Victory is a lone oak tree



Mighty oak: Protesters surrounding the saved tree yesterday Photograph: Nicholas Turpin

Protesters against the Newbury bypass were handed a symbolic victory yesterday as a single oak tree along the route of the new road was spared the attentions of a chainsaw.

Instead, this handsome token of Mother Nature's handiwork will enjoy a new lease of life - as part of a picturesque roundabout for motorists to enjoy.

But taken it is. Since work officially began along the route on 9 January, around 10,000 trees have been felled along the path of the bulldozers. Only a few trees with nesting birds have been left behind, in accordance with wildlife protection laws. As the under-Sheriff of Berkshire, Nick Blandy, turned up to hand over the site of the bypass to contractors at a special ceremony yesterday, a crowd of around 100 protesters ambushed the event. His Land Rover made several attempts to escape the crowd and he sped off before saying a word.

Despite this humiliation, Mark Clark, a spokesman for the Highways Agency, was defiant. Although the ceremony was ruined, the construction of the road would go ahead as planned, he said.

We are going ahead and we are going to put that road in place as per the schedule we have laid out," he said. "It has been democratically chosen that the bypass is to be built and we are not going to let a relatively small group of people stop that."

The group of people to which he referred was not quite so insignificant, however. It is estimated that 2,000 protesters have taken part in the demonstrations at the site, either living in the woods or simply spending the odd day wrestling with security officers and lying down in front of bulldozers.

On Tuesday, 17 environmental campaigners had been arrested as the last camp - Tot Hill and Castle Camp - fell to the Sheriff. The passionately fought campaign has seen 768 arrests. Most of the arrests have been for aggravated trespass, or for obstruction of the under-Sheriff's staff - at a cost of £2.55m in police time. Security costs have tripled from the original estimate of £500,000 to £1.5m. The forcible evacuation operation came to an end when the last protester - dressed in a pantomime cow costume - left the last of the treehouses.

Clinton aide 'killed' in Croatia air crash



Ron Brown: 'One of the sharpest political brains'

RUPERT CORNWELL
Washington
and EMMA DALY
Tuzla

Ron Brown, a US cabinet member and one of America's best-known black politicians, was feared killed in an air crash on the Croatian coast yesterday.

A US Air Force plane carrying Mr Brown, the US Commerce Secretary, crashed in stormy weather near the city of Dubrovnik, where it had been due to land. One of the American, British and French aircraft mounted a huge rescue operation at sea and in the hills around Dubrovnik, but there were no reports of any

survivors.

"Ron Brown's plane is down in Bosnia. The wreckage has been sighted. They are investigating," the US Attorney General, Janet Reno, told reporters in Washington. "I think we should all pray at this point."

Two senior US defence officials said there was no indication of any hostile fire at the aircraft. But one added: "I can tell you the weather was terrible."

A strong wind from the south raged all day through Dubrovnik.

Croatian sources said the plane crashed either into the Adriatic or into hills near Dubrovnik airport, which sits between the sea and a sheer



spine of granite mountains rising steeply from the coast. It was not immediately clear who else was aboard the airliner. Accompanied by 12 chief executive officers from America's infrastructure, tourism and telecommunications sectors,

Mr Brown had planned to spend three days in Bosnia and Croatia, meeting American troops, government figures and local business leaders to build support for trade ties and economic assistance.

The loss of Mr Brown would deprive President Bill Clinton of one of the sharpest political brains in the Democratic Party, honed by an early career in the civil rights movement, followed by more than a decade as a partner in a top Washington law firm, and a widely praised tenure as party chairman between 1969 and 1993 which culminated with Mr Clinton's election.

In the new administration he

became commerce secretary and has successfully promoted US business around the world.

But his travels and all his private business dealings have been targeted by Republican critics, and since mid-1995 an independent counsel has been investigating his affairs. Mr Clinton insisted he stay on, calling him "one of the most valuable members of the government."

The aircraft in which Mr Brown was travelling was a T43, the military version of the Boeing 737. Two unexplained accidents have focused attention on possible rudder problems with the 737.

The "skilled fixer", page 14

IN BRIEF

Clarke's prediction
Kenneth Clarke predicted that there would be no more "salami slicing" of the Government's European policy after his agreeing to a single currency referendum. Page 2

Easter escape
More than a million people will be heading abroad for Easter, with airports reporting an increased number taking long-haul breaks. Page 3

Today's weather
Fine and sunny again but still chilly. Section two, page 29



Howard reforms need 40 new jails

HEATHER MILLS
Home Affairs Correspondent

Tough US-style automatic jail terms were unveiled yesterday as Michael Howard announced the most radical changes to sentencing policy this century.

In a populist package, he promised mandatory life sentences for repeat violent and sex offenders, minimum tough sentences for repeat burglars and drug dealers - and an end to remission and parole.

The moves will lead to a massive prison building programme, estimated at £3 billion over the next 25 years. On Mr Howard's lowest estimates it will involve 12 new jails, on top of five already in the pipeline, to

hold an extra 10,000. Probation officers and penal reform groups, believe the prison population will leap from its present 54,000 by 30,000, needing nearly 40 new jails.

The proposals contained in a white paper Protecting the Public, also set the government on collision course with all the criminal justice system - with the exception of the police.

Mr Howard's most powerful opponent, Lord Taylor, the Lord Chief Justice, who has had the judiciary's attack on the plans - which they say removes their ability to sentence according to the unique circumstances of a crime - remained silent.

He has already warned that mandatory minimum sentences

will not reduce crime, will remove any incentive for a defendant to plead guilty - thus forcing victims to go through the ordeal of a trial - and could, in extreme cases, force a rapist to kill his victim and only witness, because he will get a life sentence either way.

Labour's frontbench, anxious not to give the government any grounds to suggest they are "soft on crime and criminals" in the run-up to an election will support the main proposals.

In the Commons, Mr Howard said: "We have taken action to ensure that the balance in our criminal justice system favours the law abiding public not the criminal. These proposals are tough. And they should be. They are needed to

protect the public and to build a safer Britain."

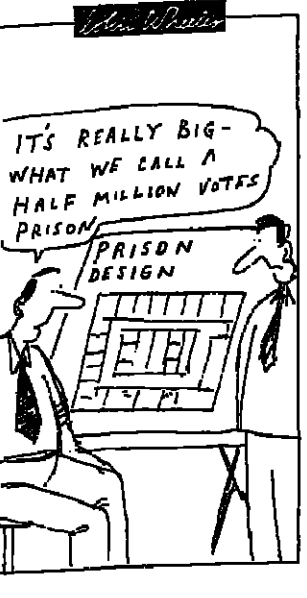
The key measures are:
Automatic life sentences for second time serious violent or sexual offenders.

Minimum seven-year jail sentences for traffickers in category A hard drugs convicted for a third time.

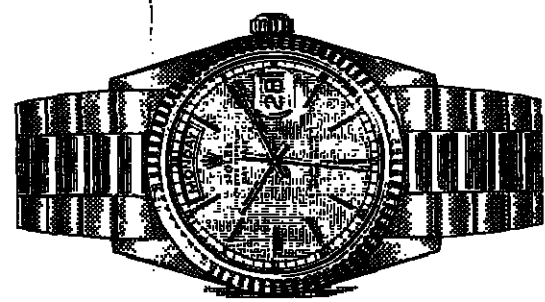
Three year minimum prison terms for three-time burglary offenders.

Scrapping automatic early release through good behaviour. Professor Andrew Rutherford, chairman of the Howard League said: "This model of mass incarceration has brought no discernible end to the crime problem in the US".

Penal reforms, page 4
Michael Howard, page 21



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Forces combine in bunker HQ

The joint headquarters will take charge of operations in Bosnia on 1 August, after a period of preparation.



But Dr Tierney said yesterday the findings gave insufficient information to make a proper judgement. "They do nothing to confirm or deny a consistent increase over the last five years."

Eyes on the sky for lunar eclipse

CHARLES ARTHUR
Science Correspondent

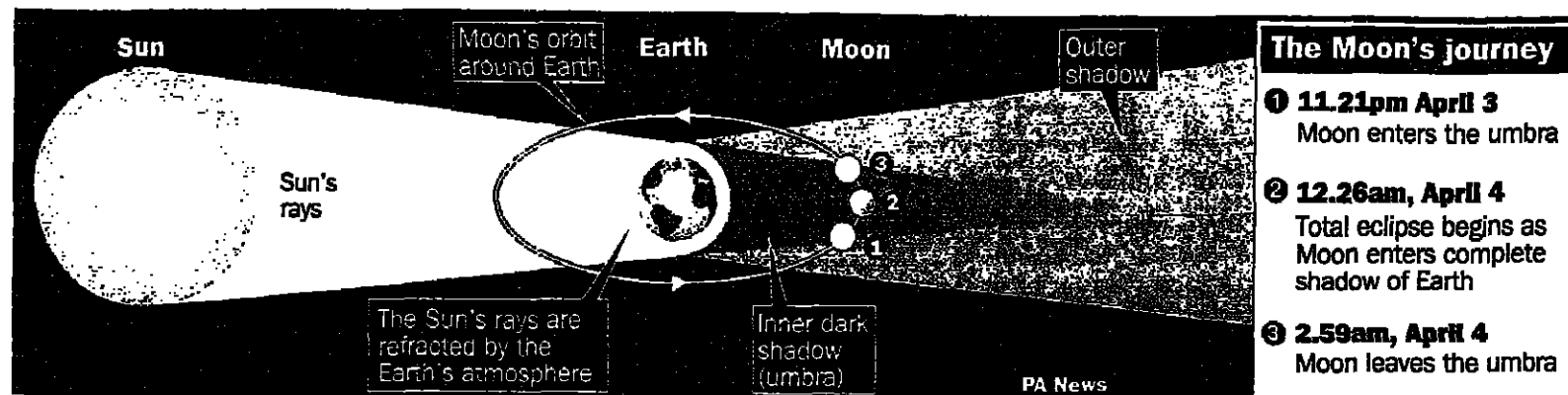
It has been seen as a portent of doom for thousands of years. But last night the lunar eclipse, far from being a moment of dread, was the occasion for thousands of amateur astronomers to turn their eyes and binoculars to the skies.

The full moon was due to be eclipsed for four hours, starting at 10.30pm, caused by the moon moving into the shadow cast in

space by the Earth. For those who missed it, our graphic explains what happened.

A lunar eclipse, which can only occur during a full moon, usually takes place about three times a year but last night's was particularly visible.

During such an eclipse, the moon may appear to turn copper or orange, or to black out altogether. The colouring effect is caused by the sun's rays being bent by the Earth's atmosphere. The effect can be seen



The Moon's journey

- ① 11.21pm April 3
Moon enters the umbra
- ② 12.26am, April 4
Total eclipse begins as Moon enters complete shadow of Earth
- ③ 2.59am, April 4
Moon leaves the umbra

with the naked eye, though binoculars or a small tripod-mounted telescope enhance the sight.

Meanwhile, the comet Hyakutake - another harbinger of misfortune, according to

some - was visible in the north-west sky. Although the comet was fading and was lower in the sky than it has been, the eclipse would have made it easier to see.

The sight of the moon "turn-

ing to blood" instilled fear and dread into ancient peoples, and even in more recent times.

In biblical days, a lunar eclipse was believed to have heralded the death of King Herod, while in ancient Japan men

would lie on the ground and howl like dogs to ward off its evil effects.

Lunar eclipses first helped astronomers to work out that the Moon and Earth moved in elliptical, rather than circular,

orbits. Nowadays, minuscule changes in their timing, compared to predictions, help to demonstrate that the Moon is very gradually moving away from the position of the Earth.

Faulty diagnosis led to toddler's death

PAUL FIELD

A 23-month-old child who died on an operating table after he was taken to four hospitals in eight hours could have survived had the correct diagnosis been made, an inquest heard yesterday.

Robert Benton died of acute bronchitis, which kills only 1 per cent of child sufferers, Birmingham Coroner's Court was told.

But he had been operated for on a suspected blockage to the windpipe, which led to his death. A paediatric pathologist, David Rushton, explained that the artificial ventilation performed by doctors during surgery had contributed to his death, on 7 June last year.

His parents Julie Benton, 33, and Timothy Dawes, 32, were told by the consultant chest surgeon, Joseph Khalil Marzouk, that Robert had died of tracheo malacia, a congenital disorder in which the cartilage holding open the windpipe collapses. He said it was a birth defect that would have killed him sooner or later.

Earlier, the couple had taken Robert to Sandwell hospital, near their home in Rowley Regis, West Midlands. Concerned at the "chaos" that they found in the casualty department, they drove him 10 miles to Good Hope hospital, in Sutton Coldfield. After a suspected blockage to the airways, caused by a mucus plug or a foreign body was diagnosed, he was transferred to Birmingham Children's hospital.

But on arrival no beds were available, so he was sent to Heartland Hospital for a bronchoscopy. Mr Marzouk, who performed the operation, said he made Robert a priority, but was unable to find a blockage obstructing his breathing.

"On withdrawal of the bronchoscope it became clear there was a severe degree of tracheo malacia," he said.

His condition was deteriorating due to a tear in his left lung, which caused air to fill his body and his heart stopped twice. Despite efforts to resuscitate him, he died at 9.12 p.m.

A pathologist, Dr David Rushton, said the artificial ventilation performed by the doctors contributed to his death. "I could not find any evidence of a congenital disease. The diagnosis of tracheo malacia was mistakenly entertained."

He said acute bronchitis was the underlying cause of death but it was also due to the pneumothorax, a gap between the lung and the windpipe, which was prompted by the artificial ventilation. "The effects of the treatment contributed materially to his death."

Roger Thornington, a consultant paediatric anaesthetist from the Alder Hey Hospital in Liverpool, called to give expert evidence, agreed the pneumothorax occurred during the treatment. He criticised Mr Marzouk for not inserting a chest drain, which would have removed air from the body and possibly saved his life. Earlier, the surgeon had insisted he ruled out the procedure because he had not known of the existence of a pneumothorax.

Dr Thornington accepted the need for a bronchoscopy because of the suspicion of a blockage to the windpipe. He said he was surprised the surgeon and his two anaesthetists had diagnosed tracheo malacia. "It is unusual because the child had not shown any typical signs of the rare disorder such as a sharp cough," he said.

The jury are expected to return a verdict today.

Easter travel: Supermarket chains put up price of fuel as holidaymakers head for foreign destinations

Petrol to rise by 2p but Shell holds back

ROB CRANE

As Britain geared up for the busy Easter weekend the stakes were raised again yesterday in the petrol price war.

Following increases announced throughout the industry this week one of the UK's largest petrol companies, Shell, said yesterday that it has "no immediate plans" to raise prices. The increases were led by Tesco who put the cost of their petrol up 2p a litre on Monday. Other supermarket chains, including Sainsbury's and Safeway, have introduced similar rises. BP has also increased the cost of its petrol.

A Shell spokesman said: "The price of crude is at an all time high but we're not putting those rises through to the market. We've taken a commercial decision and our competitors have gone the other way."

Eso are basing their prices in individual stations on those of local competitors. June Harper, the company's planning and economics manager, said: "We do not set prices, nor do we undercut. Our aim is to be normally unobtainable by matching price levels set by competitors in local markets."

The rises mark the end of a price war between petrol companies which began at the start of this year. A BP spokesman said that prices have fallen by approximately 3p a litre since January.

A spokesman for Tesco commented: "We expect these price increases to be reflected across the industry."

Meanwhile, over a million people will this weekend be heading abroad for Easter, with airports reporting an increased number taking long haul breaks to the Caribbean, America and the Far East.

The number of people leaving the country is expected to be around 1.5 million, 250,000 more than a year ago, according to the Association of British Travel Agents.

ABTA president, Colin Trigger, said: "The miserable winter weather has prompted many people to seek out the sun."

A spokeswoman for Gatwick airport confirmed: "America and the Caribbean are popular destinations this Easter, as well as the more traditional Mediterranean sunspots. People seem to be venturing much further afield this year."

Gatwick is expecting to han-



Pilgrims carrying a wooden cross yesterday towards the village of Littleport after being blessed at Ely Cathedral in Cambridgeshire Photograph: Tony Buckingham

dle 380,000 passengers between today and Easter Monday - a 15 per cent increase compared to last year - with 78,000 people expected to fly on Sunday. A further 500,000 are predicted to depart from Heathrow in the seven days from yesterday, while Manchester and

Birmingham airports are expecting almost 130,000 passengers between them.

Eurostar, the Channel tunnel high-speed train company, is confident services from Waterloo to Paris and Brussels will be unaffected by two 24-hour strikes threatened by maintenance workers at its west London depot.

Ferry companies are predicting around 350,000 passengers. Stena expects at least 115,000 on its Dover-Calais run over the weekend; P&O European Ferries are predicting 135,000 passengers.

Those staying in the UK were warned to expect delays on the roads. A spokeswoman for AA Roadwatch said: "Last weekend the traffic was much busier than usual so we expect some people may have gone away already, but there will still be the same mass exodus today."

Motorists were urged to check their vehicles before travelling. "Last Easter we rescued 60,000 people who had broken down. We're urging people to help themselves by doing a few basic checks, such as oil, lights, battery level, tyres, electronics and of course fuel."

Girl, 6, killed as rope snaps from towed car

A six-year-old girl died after a car being towed broke free and crashed into a bus shelter yesterday. Natalie Potts, who was with her mother and older brother, was trapped between the Ford Fiesta and the shelter in Sunderland, Tyne and Wear.

A crew from nearby Grindon Fire Station pushed back the car and they and paramedics carried out emergency first aid before she was taken to Sunderland General Hospital, but she died later.

Her mother, Mrs Mandy Potts, 26, and brother Christopher, seven, were treated for shock and minor cuts but were later able to return to their home in the city.

Police said the Fiesta was being towed along Hyllton Road when the rope snapped, with the car mounting the pavement and smashing into the shelter.

The fire station officer, Dave

Ford, said: "When we arrived there were quite a few people lying around injured and we realised the young girl was seriously hurt, so we immediately directed our first aid towards her."

"We got resuscitation equipment to her then moved the car back to give us more room. Firemen and ambulancemen worked on her for a while then when we thought it was right, she was taken to hospital."

Natalie's father, Gary Hodgson, 31, who is unemployed, said: "Natalie was a joy to have around. She was any man's perfect daughter. I can't believe she's gone."

"I was doing some work for a friend in another part of town when my brother-in-law came and said Natalie had been hurt and was in hospital. I just dropped everything and went with him to the hospital."

"I tried to go down the cori-

door to see her because I didn't know then exactly what had happened but a nurse guided me into a side room and they told me what had happened."

"I still can't believe she isn't with us anymore. I'm just numb. "Mandy was taking the kids out around the town for a few hours. It was the first day of the school holidays and they were excited about being off for Easter."

"Mandy told me that Natalie was at her side running around in a little circle. She must have been excited about going to the shops."

"Then this car came along being towed by another. It swerved and then veered straight at them."

"She didn't have a chance. Mandy was just behind the bus stop and made a grab for Natalie but it was too late."

"Thankfully Mandy and Christopher weren't too badly



Natalie Potts: 'She was a perfect daughter'

hurt. Mandy is in a state of total shock and Christopher has some nasty cuts around his mouth and had a chunk of glass removed from his hand."

"They are back home with me but they are inconsolable. It hasn't sunk in with Christopher."

"I asked if he wanted to go down to see her after they had cleaned her up... but he said he didn't want to see her."

The police appealed for witnesses to the incident.

US and Japanese bio-tech firms grab DNA patents

TOM WILKIE
Science Editor

More than a thousand human genes - each present in almost everyone on the planet - are now the commercial property of US and Japanese pharmaceutical companies, according to a survey published in the scientific journal *Nature* today.

The Japanese and the Americans have an overwhelming hold on the ownership of human DNA - the molecular messenger of heredity - according to a team led by Dr Sandy Thomas at Sussex University, Brighton.

The US and the European Patent Offices have granted 1,175 patents on human DNA sequences between 1981 and 1995. Japanese and US companies have grabbed most of them. Not one European Union pharmaceutical company ranks among the top 10 DNA patent owners, the survey found.

The patenting of DNA sequences has proved controversial because it pitted scientists committed to expanding the frontiers of human knowledge against commercial enterprises that want to exploit their findings by charging royalties for anyone who wants to make use of basic information on the messages encoded in DNA.

Japan's Takeda has 63 patents, followed by Genentech and Immunex of the US with 41 and 23 respectively. The only European companies in the top 10 are Swiss concerns, Hoffmann-La Roche and Ciba-Geigy, with 34 between them. "American and Japanese firms started off with a more aggressive patenting strategy than European concerns, which got into bio-tech later and are lagging behind," Dr Thomas said.

Public debate over the ethics of patenting DNA has grown in intensity in the past three years as the pace of research has quickened. Last year, the European Parliament vetoed a directive which would have eased the path for EU companies to the patenting of human DNA.

Many groups remain fundamentally opposed to the ownership of what they see as an inviolable common heritage of humanity. Companies, on the other hand, regard patenting as essential to the successful marketing of novel therapies based on specific DNA sequences. On commercial grounds, "that Europe's share of these patents is so small is a serious cause for concern," Dr Thomas said.

The EU has spent some 75 million ECU (\$94m) on biotechnology projects, but has a stronger commitment to the early release of human data into the public domain than to creating a legal environment that encourages proprietary patenting.

Dr Thornington accepted the need for a bronchoscopy because of the suspicion of a blockage to the windpipe. He said he was surprised the surgeon and his two anaesthetists had diagnosed tracheo malacia. "It is unusual because the child had not shown any typical signs of the rare disorder such as a sharp cough," he said.

The jury are expected to return a verdict today.

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Penal reforms aimed at 'career criminals'

The Government's White Paper aims to 'let everyone know where they stand'

HEATHER MILLS
Home Affairs Correspondent

Anyone who commits a second violent offence – no matter whether a rape or robbery and not necessarily the same type of offence – will automatically go to jail for life under the sweeping new sentencing changes announced yesterday.

The Government's White Paper *Protecting the Public* says: "Too often in the past those who have shown a propensity to commit serious violent or sexual offences have served their sentences and been released only to offend again."

It says that "too often victims have paid the price when the offender has repeated the same offences", but makes clear under "mix and match" arrangements that anyone with a previous conviction for any violence, such as robbery, rape, attempted murder, wounding with intent and possession of a firearm with intent, will serve life if they are caught committing any further violent offence.

As well as life for repeat rape, sex offenders who commit unlawful sexual intercourse with children under 13 will also be liable to life.

Under the changes, dealers peddling hard drugs like heroin and cocaine are likely to serve more than double the four-year average jail term for a third conviction.

The White Paper said: "We are determined that those who persist in trading in human misery and ruined lives should get the punishment they richly deserve – a very long prison sentence." Anyone aged over 18, who is convicted on three separate occasions, will automatically receive a minimum of seven years in jail. Any previous convictions will count, including those acquired as a juvenile and those normally regarded as "spent" – usually after seven years.

All trafficking offences will be covered by the legislation, including supply, importation, manufacture, conspiracy, incitement or aiding and abetting.

The paper also contains plans to double the 18-month average sentence for the thousands of professional burglars with at least two previous convictions.

It concludes: "Burglary is a pernicious and predatory crime and sadly one of the most common offences. For old people in particular the fear of burglary and the distress it causes can have a devastating effect on their lives."

However, only burglaries committed after the new law comes into force will count towards the mandatory three-year minimum sentence for the criminal on his third separate break-in. A fourth or fifth court appearance will lead to a sentence "considerably higher"

Plans for house burglary and average sentences, based on sample of offenders taken in 1993 and 1994

	First conviction	Second conviction	Third or subsequent	All or subsequent
Number of offenders	447	197	305	949
Number of offences	364	139	230	633
Percentage custody	59%	71%	75%	67%
Average sentence (months)	16.2	14.6	18.9	16.8
Magistrates' courts	705	233	277	1,215
Prison custody	105	63	101	269
Percentage custody	15%	27%	36%	22%
Average sentence (months)	3.7	3.9	4.0	3.9

than the mandatory minimum. "Those who persist regardless will be taken out of circulation for a long time, thus protecting the public from their evil activities. The public is entitled to expect no less."

The paper also plans to block a perceived loophole, under which those sentenced under the Mental Health Act, often considered too ill to plead to an offence, can be released after

treatment. It proposes a new hybrid order, allowing mixed sentences, so criminals can both receive hospital treatment and serve a jail term. The proposal is designed to meet the concerns of those working with disordered offenders, believed to suffer some kind of psychopathic disorder, who have been released into the community after serving only a short sentence or after hospital treatment.

As well as the tough new minimum sentences, the White Paper plans to abolish 19th-century arrangements which allow offenders out of jail on remission or parole after serving only half of the jail sentence handed down by the court. Inmates should in future serve the entire sentence handed down by the courts – with a discount of only up to one fifth, earned by good behaviour.

Under the plans, a prisoner serving 12 months or less can earn up to six days a month off by co-operating with the prison regime. Those serving longer can earn three days by co-operation and another three for "positive good behaviour and hard work."

It concludes: "In future all those involved – offenders, judges and the public – will know exactly where they stand."

Prison-centred policy set to send costs soaring

Five years ago in the face of a rising tide of crime, the Government decided that "prison was an expensive way of making bad people worse". It embarked on a programme of rehabilitation, saving retribution for the most serious offenders. But ministers soon realised that such sentiment was a vote loser among the public, many of which want to see the reintroduction of the death penalty.

In just seven months the legislation was scrapped and the Government, anxious not to lose law-and-order ground to an increasingly "tougher on crime" Labour front bench, performed a sharp U-turn and started on the "prison works" road now being pursued with all his energy by Michael Howard.

He estimates that his latest overhaul of sentencing policy will add another 10,800 to the prison population.

Probation officers, penal reform groups and others say the real figure is likely to be triple. They claim that by the beginning of the next century, the population behind bars will have soared from the present record level of 53,941 to nearly 90,000. Probation officers argue that 9,000 burglars alone would be propelled into prison. Thousands more would serve longer penalties.

The other huge hike in inmates will come from the loss of remission, outlined in the White Paper. They argue that even under the threat of more limits on their powers, judges are unlikely to make a full discount for loss of remission when they send someone to jail for a new "honest" sentence.

Either way, the plans will lead to a massive prison building programme. As well as the five new jails already in the pipeline, even under Mr Howard's best-case scenario, a further 12 jails each holding 800 prisoners and costing more than £840m to build will be needed. Plus, the Prison Service's annual running costs will top £2bn a year. All the new jails will be built, managed and run by the private sector.

The moves will again thrust the United Kingdom to the top of the European Union league for jailing the most people, although recently sentencing policies had recently brought France, Spain, Germany, Italy and others in line, all jailing between 80 and 115 per 100,000 head of population. However, Britain will still be far behind the United States, which jails nearly 2 per cent of its adults.

Yesterday, Mr Howard maintained that his tougher sentences were responsible in part for the last three years' drop in

crime levels, but criminologists, probation officers, church leaders, judges and reform groups point to conflicting evidence.

They say unreported crime, greater use of police cautioning and changes in reporting procedures are distorting figures; that research suggests those punished and supervised in the community reoffend less often; and that what deters crime is not the threat of long sentences, but the threat of being caught – and that is where any extra resources should be spent.

They point to the Netherlands which, with a similar crime rate, incarcerates only half the number, enabling families to stay together and offenders to work thus giving stability shown to prevent reoffending. They point to an "inevitable" increase in costly court battles because of



Michael Howard: Pursuing policies of incarceration

a lack of incentive to plead guilty, to the risks of returning the mentally ill to jail and to the risks of encouraging, for example, a rapist to kill his victim because the penalty would be the same whether she dies, or lives to give evidence.

These arguments have been voiced eloquently by many, including Lord Taylor, the Lord Chief Justice. But they have been ignored because they carry little weight with a public which sees itself increasingly at risk of being a victim.

However, pursuing an entirely prison-centred criminal justice policy is not without its risks. The recent return to prison overcrowding, cut-backs in education, regimes and welfare and, in some, squalid conditions provides exactly the same explosive ingredients that sparked the 1990 Strangeways riots in Manchester. We are in danger of coming full circle.

Heather Mills

'Miracle cure' for violence is still unproven

US opinion is divided over 'get-tough' sentencing, writes Rupert Cornwell

Three years after its introduction as America's latest miracle cure for violent crime, the case for "three strikes and you're out" remains unproven. For its supporters, the first benefits are already apparent. Detractors, however, say that the measure is unfair and in the long run, counter-productive.

The first "three strikes" law, whereby a person convicted of a third felony is automatically sent to prison for life, was passed by the state of Washington in 1993. California followed suit a year later, spurred by uproar over the death of Polly Klaas, a 12-year-old girl abducted and murdered by a freed rapist. In all, 15 states have similar measures on the statute book, while Georgia plans to bring in an even stiffer "two strikes and you're out" law, effective from 1999, for certain offences.

Even the Federal Government – whose jurisdiction covers only 2 per cent of crimes committed in the US each year – has got into the act, with a "three strikes" proviso included in the Crime Bill passed by Congress in August 1994 and which has thus far affected some 20 cases.

Whether it is effective, however, is another matter. In California, where "three strikes" has been a hotter issue than anywhere else, Governor Pete Wilson claims it is a prime reason for two straight years of falling crime. Critics say that it

merely distorts the judicial system and makes an already overloaded prison system even more unworkable.

According to one study by a San Francisco legal institute, the law hit twice as many marijuana smokers as rapists, murderers and violent criminals combined. In now famous California cases, convicts have recently been jailed for life after third offences of stealing two bicycles, and a slice of pizza. It also disproportionately affects African-Americans. "If you were writing a law to deliberately target blacks, you could hardly do it better than 'three strikes'," one of the report's authors said last month.

Critics also claim that in the longer run, the measure will simply swell a national prison population of over 1 million, three times as large as in 1980, to the point where an ageing, long-term prison population will turn some jails into old people's homes. A surge in police killings in California, meanwhile, suggests "three strikes" has an unintended consequence of prompting criminals facing arrest to resort to extreme means to avoid what would otherwise be a life behind bars.

But for all its defects, the law is here to stay. Despite falling rates of violent crime in many states and big cities, law and order remains one of the hottest political issues in the US. We bet the candidate who argues for its repeal.

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Doctors win battle to let baby die

LIZ HUNT
Health Editor

A trust hospital has won its legal battle to switch off the ventilator of a severely brain-damaged baby girl so that she can die in peace.

Three-month-old Baby C is unlikely to develop beyond the level of a six-week-old and has a life expectancy of less than two years, according to doctors. Although she is not in a coma she is unable to breathe without the aid of a ventilator. She is also blind, deaf, and unable to respond to her parents who, together with doctors and nursing staff, strongly supported the trust hospital's action.

Sir Stephen Brown, president of the High Court Family Division, yesterday described the case as "tragic". He said that the courts would not tell doctors how to perform their clinical and professional duties but they were willing to help with the taking of responsibility.

"It is quite clear from the evidence, which is unanimous, that the doctors, in the exercise of their grave responsibility, all consider that it is in the best interests of this little baby that she should now cease to be artificially ventilated... If she were to remain on the machine, a deteriorating condition would follow, with increasing pain and distress," Sir Stephen said.

The judge said he had no doubt that all those concerned "will exercise the greatest care in dealing with what remains of her life". However, he declined to make any general statement on how similar ethical dilemmas should be handled. He said that each case depended on its merits, especially when a child was a ward of court and any important step in that child's life required the leave of the court. Many moral, ethical and practical problems were involved, "but I think we have to deal with particular cases on their particular facts".

Earlier, Michael Taylor, counsel for the hospital, said that Baby C was born eight weeks prematurely on 2 January with a slow heart rate, respiratory distress, jaundice and hypothermia.

At the age of two weeks she developed meningitis and suffered a seizure and septicaemia. She recovered but was left seriously disabled, unable to make spontaneous movements apart from convulsions. She now had severe shrinkage of her brain, Mr Taylor said, and she had developed obstructive hydrocephalus, the build-up of fluid in the skull which would cause severe swelling unless relieved.

No surgical treatment could restore her to health, he told the High Court, and her life expectancy was between one and two years even with comprehensive medical and surgical intervention.

"That treatment would be readily offered, as it is now, except for the concern of the doctors that it would be unfair to the baby [for it] to continue," Mr Taylor said. "It would be unfair because she would suffer distress and pain..."

If her ventilator were switched off and she was heavily sedated, doctors say she would die within an hour without pain. Doctors had spoken to other paediatricians and consulted the parents, Mr Taylor added. "The view was taken by all concerned that it would be proper for the ventilator treatment to be withdrawn."

Baby C is a ward of court and neither she or the hospital can be identified. She was represented in court by counsel for the Official Solicitor, as guardian of her interests. Her parents were separately represented.

Railway Children arrive first class after 26 years



Wrinkles and experience were forgotten yesterday as the original *Railway Children* arrived on a colourfully decorated steam train for a day of nostalgia at the Victorian station where the children's classic was filmed 26 years ago.

Jenny Agutter and Sally Thomsett, who played two of the three Edwardian children in the 1970 film, and Iain Cuthbertson, who played their father,

arrived to a rousing brass band reception at Oakworth station, Keighley, West Yorkshire. They were welcomed with posies from children dressed in Edwardian costumes, and guards and porters dressed in original black and gold uniforms.

Keighley & Worth Valley Railway Preservation Society invited the three actors to the station to unveil a Cinema 100 plaque awarded by the British

Film Institute to commemorate the film of the *Railway Children* in the institute's 100th year of British cinema. The trio's arrival in a first class carriage of the train used in the film was a far cry from their *Railway Children* characters, who could only afford the cheapest seats.

After listening to speeches from cinema and railway enthusiasts and messages from some of the film's stars, including Dinah Sheridan and Bernard Cribbins, who could not be there, Ms Agutter spoke of her own love for the charming Lionel Jeffries film.



Family affection: Iain Cuthbertson with screen daughters Sally Thomsett (left) and Jenny Agutter (Photograph: Guzelian) Left: As they were on film in the *Railway Children*

She said: "I feel I don't really deserve to be here because it was such an enjoyable thing to be involved in."

Sally Thomsett, who played Jenny's younger sister, said: "Lionel Jeffries created something innocent and wonderful... He made us feel like we were the railway children."

Northern Rock announces plans to convert to a public limited company and to establish a Charitable Foundation

On 3rd April 1996, Northern Rock Building Society announced its proposal to convert to a public company with its shares listed on the London Stock Exchange and to establish a Charitable Foundation, called Northern Rock Foundation to support charitable causes mainly, but not exclusively, in the North East of England.

It is our intention to seek our members' approval to the proposals in Spring 1997.

Within the next few days our members will receive a letter outlining the proposals and an explanatory Question and Answer leaflet.

In addition, an Information Office has been established to deal with members' enquiries.

Please bear in mind, however, that for legal reasons we cannot provide any more information than is included in the leaflet.

Members Information Office: 0345 448866
(Calls are charged at local rate.)

'Beer baron' is guilty of huge bootleg scam

A "beer baron" was found guilty yesterday of masterminding Britain's biggest cross-border bootlegging operation.

Ellis Martin, who faces up to 14 years in jail, used a front company and thousands of pages of bogus paperwork to flood Britain with nearly nine million cans of "super strength" lager.

The crooked businessman kept hundreds of cash and carry outlets stocked with the beer for months. Prosecution counsel calculated that if the 350,000 crates of beer involved were stacked on top of one another they would create a "39 mile high hangover".

The court was told Martin had so much money left over after paying cash for a £270,000 home and two Mercedes convertibles that he set up a property company to "clean up" the rest of his ill-gotten gains.

The jury, who spent 23 hours over five days considering the evidence, convicted Martin, 37, of Southgate, north London, of five charges of cheating Customs & Excise out of £7.75m duty and VAT between November 1993 and June 1994.

The managing director of a bonded warehouse, James White, 49, of High Halstow, Kent, was found guilty of two charges of evading duty.

Martin's girlfriend and assistant Julie Court, 27, and his chief salesman, Sukvinder Singh, 25, were cleared of two charges of evading duty.

Oliver Sells QC, for the prosecution, told the jury during the two and a half month trial that

Martin was the "mastermind". White, he said, provided reams of bogus paperwork for the swindle which claimed hundreds of thousands of cases of Carlsberg special brew, Tennent's Extra, Kestrel super and Hofmeister were destined for Russia, Nigeria and Gibraltar.

Mr Sells said the fraud was made possible by the easing of customs checks after the 1992 abolition of EU border controls.

The first part of the seven-month operation involved collecting 27 lorry loads of duty free beer from a bonded warehouse in Walsall, West Midlands, by claiming it was to be exported. But instead of taking it to a storage facility managed by White in Kent, it was sold directly to shopkeepers.

Then, while awaiting sentence for a similar £180,000 VAT and duty swindle for which he later received community sentence, Martin launched the second stage of the lucrative operation. This time he shipped 230 lorry loads of beer to Calais where he had set up a front company, and then re-exported it back to Britain to sell on the open market.

Mr Sells said Martin charged purchasers VAT and the 100 per cent duty that goes with high strength beers. He used the cash to buy three homes, a wine bar and another commercial property for a total of £1m.

He was arrested after a three-month surveillance operation on both sides of the Channel.

Sentence was adjourned and both men were remanded in custody.

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news

Court backs women's fight for clean beach

NICHOLAS SCHOON
Environment Correspondent

Two mothers yesterday won an important battle in their legal campaign to get sewage debris including sanitary towels and condoms cleared from the West Country beach where their walk with their toddlers.

A High Court judge ordered their local council to reconsider its decision not to issue an abatement order forcing South West Water to halt the continuous sewage pollution of the beach at Porthtowan near Redruth, Cornwall.

Most of it comes from a short pipe three miles along the coast, which takes untreated and unscreened sewage from the inland town of Camborne straight into the sea, close inshore.

The National Rivers Authority told the water company to install a screen on the pipe three years ago. But South West Water appealed against this order to John Gummer, Secretary of State for the Environment, and he still has not taken a decision.

Rachel Shelley, 21, and Sara Delaney, 29, obtained a judicial

review against Carrick District Council's refusal to issue an abatement order against South West Water.

The High Court heard that the beach was a "park and playground" for the mothers and their two toddler sons, both aged one, but solid items which had clearly come from the sewer were washed up through the year.

Their counsel argued that Carrick had a legal duty to crack down on the statutory nuisance and littering this represented. The council's lawyers argued that it was entitled not to issue an abatement order because the Secretary of State was already looking into the question of whether the pipe should have a screen on it.

Mr Justice Carnwarth said Carrick "had failed to deal with the critical issue" of whether a health risk or public nuisance was being caused by the sewage debris being washed ashore "in an attractive bay and on a sandy beach".

A delighted Sara Delaney said: "Children have been denied their right to play on a clean beach. That was ulti-

mately why we brought and carried on with the case. Hopefully others will now take action, too, to have clean beaches."

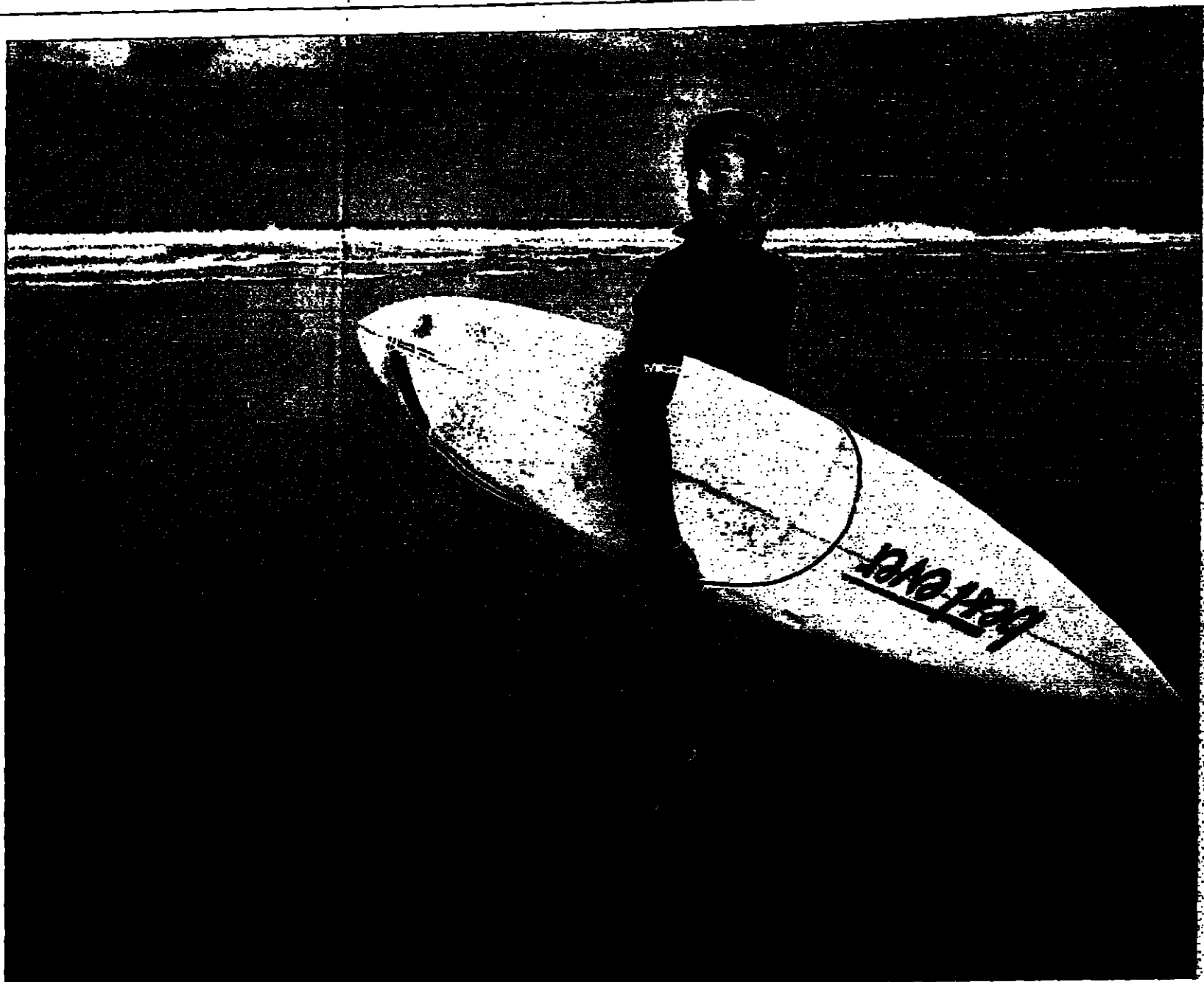
The judge said it was "extraordinary" that Mr Gummer had still not decided on South West Water's appeal over installing a screen. A copy of yesterday's ruling is being sent to the Environment Secretary. A spokeswoman for the department said there were complex issues involved.

Last year South West Water settled out of court with a Devon mussel farmer who said sewage in the Taw and Torridge estuary had made his shellfish unfit for human consumption and destroyed his business.

South West Water is spending £1bn through the 1990s in cleaning up coastal discharges; that is why it has the highest water bills in Britain.

Carrick District Council said it would be rapidly reconsidering its decision in the light of the court ruling.

South West Water said it would wait and see what Carrick decided, but accepted that at least some of the sewage came from its outfall.



On the beach: A 14-year-old surfer, Justin Skelton, on the sands at Porthtowan in Cornwall

Photograph: Tim Cuff

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'Foxy Lady' is winner over Hendrix slur

NICOLE VEASH

The girlfriend who inspired guitarist Jimi Hendrix's song "Foxy Lady" claimed victory yesterday over her Sixties rival who was found guilty of contempt by a High Court judge.

Kathy Etchingham, now a 49-year-old doctor's wife and mother of two sons, said she hoped her battle with German-born Monika Danneman, was over. Miss Danneman, 48, in whose London flat Hendrix was found dead from a drugs overdose in 1970, was found to be in contempt because she breached an undertaking that she would never repeat an allegation that Mrs Etchingham was an "inveterate liar" about her life with the rock star.

Miss Etchingham said Miss Danneman's book, *The Inner Life of Jimi Hendrix*, broke the undertaking by painting her as an "inveterate liar". She said: "This is a victory for common sense and I am absolutely delighted. This has been an ongoing problem for me but I hope this is an end to it now."

"I was fed up that someone who only had a relationship with Jimi for three days claims she was engaged to him. It is absolutely bizarre that this has been going on for 26 years."

Mr Justice French, who described Miss Etchingham as being "for two and a half years

the girlfriend, in the modern sense of the word, of Jimi Hendrix", awarded her costs, estimated at £30,000.

But he made no order to commit Miss Danneman to prison or pay a fine after hearing she was in poor health and living on very little money from selling her paintings of Hendrix.

The battle between the two women goes back to the Seventies. In a series of *News of the World* articles, Miss Etchingham claimed that Miss Danneman did not do enough to save Hendrix after he died from an overdose of sleeping tablets. Miss Danneman, of Salford, East Sussex, wrote her fibellous book in which she quoted Hendrix as saying that Mrs Etchingham was a girl "who will cheat and lie for money".



Kathy Etchingham: Delighted at victory for 'common sense'

DAILY POEM

From The Unquiet Grave

By Anon

The wind doth blow to-day, my love,
And a few small drops of rain;
I never had but one true-love
In cold grave she was lain.

'Tis I, my love, sit on your grave,
As any a young man may;
I'll sit and mourn all at her grave
For a twelvemonth and a day.

The twelvemonth and a day being up,
The dead began to speak:
'Oh, who sit weeping on my grave,
And will not let me sleep?

'Tis I, my love, sit on your grave,
And will not let you sleep;
For I crave one kiss of your clay-cold lips,
And that is all I seek.'

'You crave one kiss of my clay-cold lips;
But my breath smells earthy strong;
If you have one kiss of my clay-cold lips,
Your time will not be long.

'The stalk is wither'd dry, my love,
So will our hearts decay;
So make yourself content, my love,
Till God calls you away.'

It is 20 years since Antonia Fraser's graceful anthology *Love Letters*, and this month sees the reissue of an equally personal collection of *Scottish Love Poems* (Canongate, £6.99). These poems, like the letters, are gathered thematically: Celebrations, Wooings, Longing and Waiting, Encounters, Obessions, Laments, Fainthearts, Enduring Love and, in the case of this poem, Warnings. The earliest poems date from the 16th century, but some translations from Gaelic indicate earlier origins. There is good representation, too, of modern Scottish poets: Hugh MacDiarmid, Liz Lochhead, Douglas Dunn.

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Food producers 'lying' to consumers

GLENDIA COOPER

Cheese pizzas that contain no cheese, "fresh" turkeys that have been frozen and "chicken" which contains pork are just three of the ways in which consumers are being ripped off by food producers, according to a new survey.

The Consumers' Association reveals today that food producers are skimping on expensive ingredients by mixing them or swapping them with cheaper ones.

Labelling can also mislead consumers — food mentioned in the product name is not always being contained in any quantity in the packet.

In four government studies, 95 out of 874 samples of breaded scampi, battered fish products, instant coffees or vegetable oils were thought

to be illegally adulterated or falsely described. And a check by trading standards officers in Durham in May 1995 showed that 10 out of 11 pizzas examined contained up to 95 per cent of a substitute "cheese" made of skimmed milk and vegetable oil.

In Sheffield, a public analyst bought 16 "fresh" turkeys from shops or markets and found that five had been frozen. The birds were being sold for twice the price of frozen poultry — and could have been a health hazard if frozen again.

Also in Sheffield, 13 out of 54 samples of "minced beef" contained other meat such as lamb and pork. "Halal" meat also contained pork, which eventually led to a £15,000 fine. And some market traders were selling turkey meat as chicken.

Meat often caused problems

— in the United Kingdom "meat" can mean the flesh along with fat, skin, rind, gristle and sinew. The word "ham" can be used for a food which contains other ingredients. It may be highly processed and contain substances such as soya and milk protein.

Food was not alone in causing problems. In 1994 licensees at a pub in Humberford faced fines of £2,500 for stocking adulterated drinks after trading standards officers found brands of whisky diluted by 12 and 13 per cent water.

The Food Safety Act, the Trades Description Act, the Consumer Protection Act and the Weights and Measures Act all aim to protect consumers by making it an offence to describe food in a misleading way.

But the association says that legislation is not comprehensive

enough and is subject to different interpretations.

It wants inned products to give clear indication of drained weights, and says that added water should be declared. According to the CA, more detailed labelling — quantitative ingredient declarations (QUID) should be introduced by Europe as soon as possible, and definitions for simple terms such as "meat" tidied up.

The managing editor of *Which?* magazine, Charlotte Gann said today: "Consumers have long had to cope with foods which aren't all they seem. But food adulteration has now become more sophisticated than ever before — and is harder to detect and prove."

"The law has to be tightened up. If it were more effectively enforced, most of the problems would not exist."

Tougher rules for Cyprus troops

CHRISTOPHER BELLAMY
Defence Correspondent

British troops in Cyprus who cause any trouble in bars and nightclubs will be sent back to Britain immediately and without warning, it was announced yesterday.

The crackdown follows last week's conviction of three British soldiers for the murder of Danish tour guide Louise Jensen and is designed to try to restore the British forces' image with local people.

The Army said yesterday it had always been its policy to send people home if they misbehaved while serving abroad, but said extra measures were being taken to remind soldiers of the need to show the highest standards of behaviour.

The men from the Royal Green Jackets who clubbed the young woman to death were so drunk they could not remember where they hid the body. The horrific murder has shamed the Army, and its handling of the incident has also attracted criticism. The commander of British Forces in Cyprus, Air Vice-Marshal Peter Millar, yesterday began visiting bases to address all British soldiers, airmen and women on the island.

The MoD said it had not heard from Ms Jensen's parents, who were considering suing the Army for being responsible for the behaviour of the soldiers.

Irish order triple murder inquiry

ALAN MURDOCH
Dublin

An Irish government review is to investigate why steps were not taken to confine a triple murderer, Brendan O'Donnell, after he was diagnosed as psychotic at the age of 14.

The County Clare man, aged 22, received three life sentences on Tuesday for the murders in

1994 of a 29-year-old mother, her baby son and a local priest.

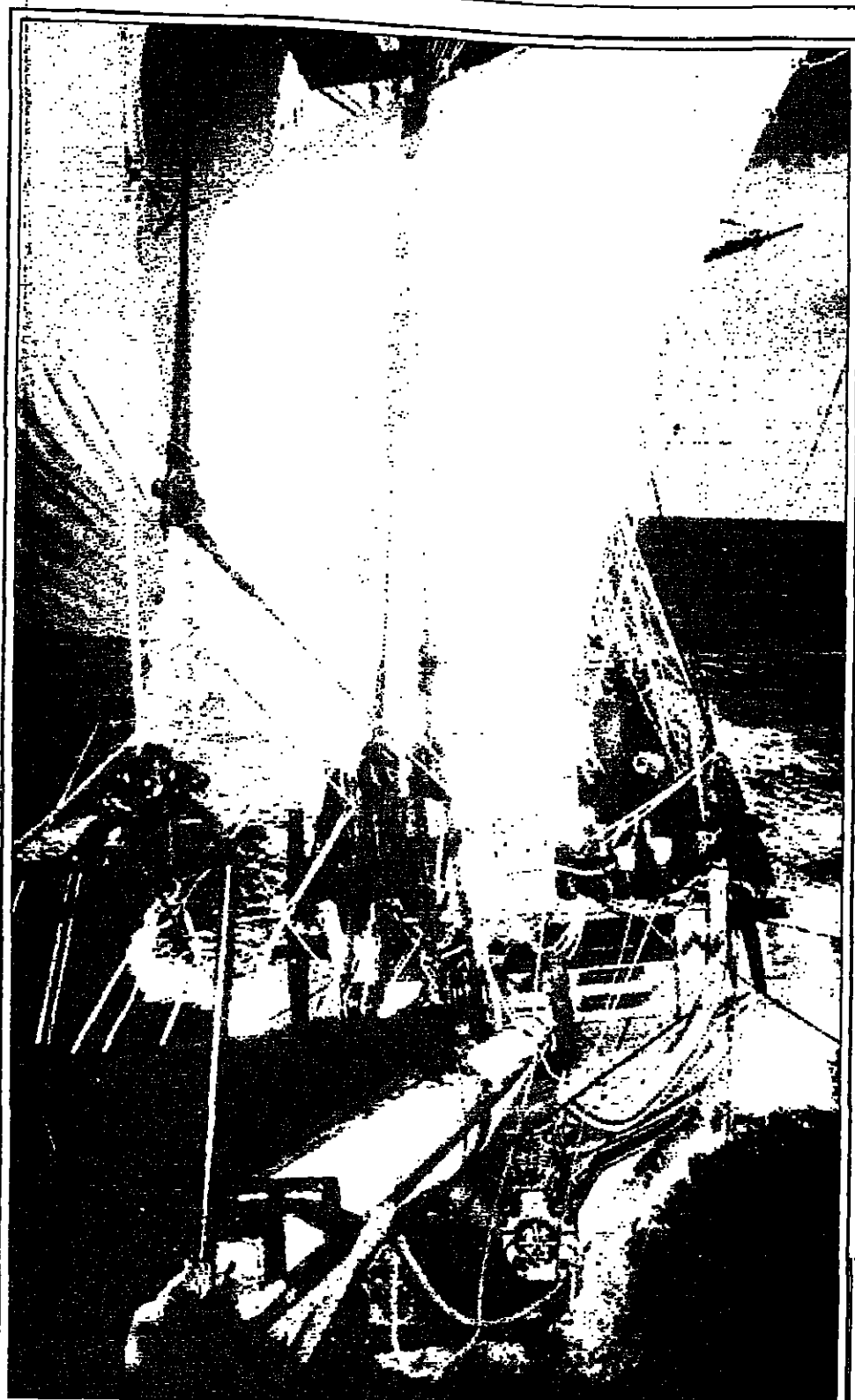
A Dublin psychiatrist, Dr Brian McCaffrey, said communication problems rather than a lack of resources were behind the failure to detect the danger.

Police sources said a Dunblane-type mass slaughter was only avoided by the fact that O'Donnell, who had a fascination with guns, lacked weapons.

O'Donnell's sister Ann-Marie said he was "raving" when he came back from England, where he had served a sentence in March 1994, a month before the killings. There were a series of incidents before O'Donnell killed Imelda Riney, her son, Liam, and the priest, Fr Joe Walsh, after forcing them at gunpoint into woods near Whitegate, County Clare.

In one incident O'Donnell had threatened an unarmed

garden with a shotgun. The inquiry will focus mainly on why Ballinasloe mental hospital in County Galway released O'Donnell only two weeks after he had stabbed his sister and threatened to attack her child, in 1992. His 53-day murder trial was the longest in Irish legal history.



Voyage of discovery: The Rose, which is due to leave Boston for Bristol next week

Replica frigate on course for Atlantic crossing

A crew of trainees is to help a replica of a historic British frigate make its first trans-Atlantic voyage.

The Rose, the largest wooden-hulled tall ship afloat, sets sail from the American port of Boston, Massachusetts, on 21 April to visit more than a dozen destinations throughout Europe.

The 31.5m (101ft) replica of HMS Rose, a 24-gun Royal Navy frigate from Nelson's era — begins her European journey at the end of next month when she arrives at Bristol for the International Festival of the Sea.

The three-masted square rigger will be supervised by expert

sailors but crewed largely by 30 trainees. The Rose is the only tall ship to have passed rigorous tests required for the US Coast Guard's certificate for a Class-A Sailing School vessel.

The 500-ton ship acts as a floating ambassador for Connecticut and her home port of Bridgeport.

Captain Richard Bailey said: "It is time to show the flag in Europe. We have visited most ports on this side of the Atlantic from Bermuda to Newfoundland, and gained years of experience of operating the ship in all conditions."

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Meeting of minds puts art in the eye of the beholder

MARIANNE MACDONALD
Arts Correspondent

Those who don't know much about art, but know what they like, will have a field day in May when the Tate Gallery begins exhibiting a controversial collection loaned by a multi-millionaire Austrian industrialist.

Josef Froehlich, 61, has acquired 320 works by German and American artists – all created in the last 30 years – since retiring from the automotive industry.

Among them are early pieces by Andy Warhol, including portraits of Elvis Presley, Elizabeth Taylor, Jackie Kennedy and a self-portrait, *Early Self*.

Also due to be exhibited over the four-year loan period are works by Carl André, who created the notorious "pile of bricks" – otherwise known as *Equivalent VIII* – which attracted outrage when bought by the Tate.

The Froehlich Foundation will also be loaning works by another radical, Joseph Beuys, who is a favourite of the Tate's director, Nicholas Serota.

Eyebrows were raised by Mr

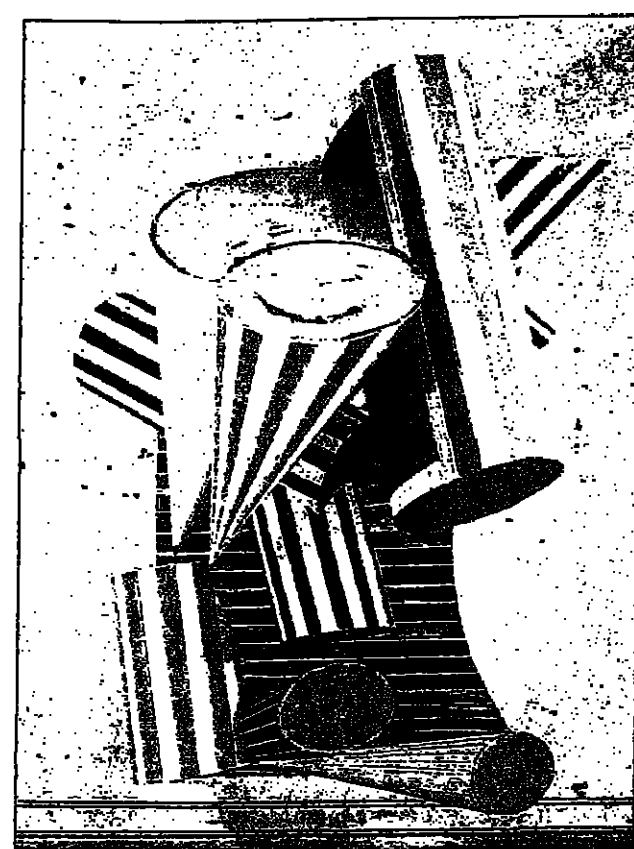
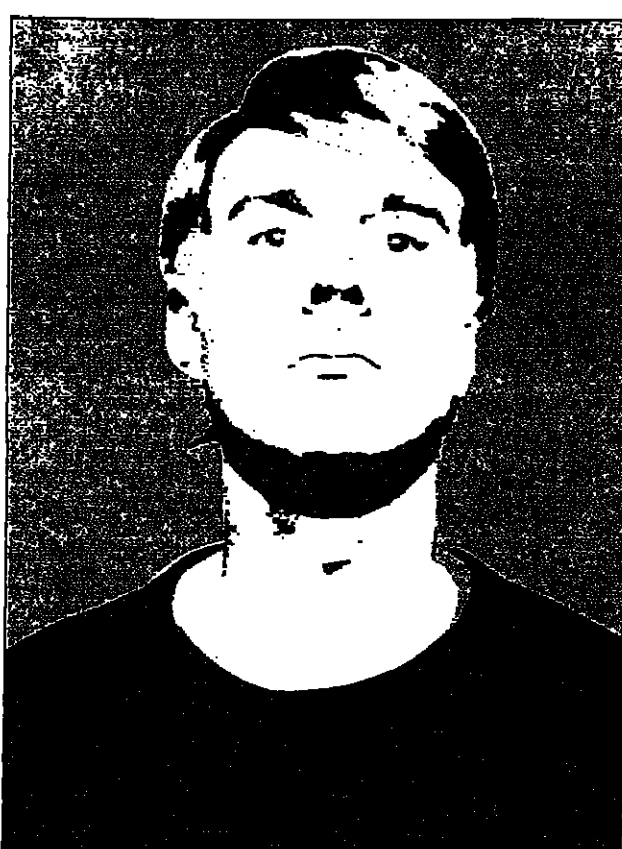
Serota's 1991 purchase of Beuys' *The End of the Twentieth Century*, an assortment of basalt blocks which cost almost £700,000. Such purchases have been blamed for government cuts in the gallery's purchase grant.

The Froehlich collection also includes works by the US artists Cy Twombly, Bruce Nauman – who created the neon work which flashes the words "Human Nature Knows/Doesn't Know" on and off – and Richard Artschwager, including his *Chair Chair*.

Other German artists who feature are Blinky Palermo, Sigmar Polke, Georg Baselitz and Gerhard Richter. The first display begins in May.

Mr Froehlich began his collection in 1980 and said yesterday it had grown out of buying objects and artworks "to decorate his sitting-room". But as his purchases grew in value, many had to be kept in storage.

"This is a great opportunity for the collection to be shown to a truly international audience," he said, "although my wife is already crying. 'What are we going to do when everything is on loan?'"



Warhol's 1964 *Early Self* (left) and *Lo Sciocco Senza Paura* (1987), by Frank Stella, from the Froehlich Collection

Massive staff cuts at British Library

Cost saving measures to hit 200 jobs and threaten further delay to opening

MARIANNE MACDONALD
Arts Correspondent

The British Library is to institute a swinging series of cuts to staff and core services in a move which could further delay the long-expected opening of its St Pancras building.

Strategies for containing its spiralling costs include reducing staff by 200, sacking or not replacing senior managers, halving the budget for manuscript purchase and reducing the spend on book conservation.

The library blames the need for cuts on the Government's refusal to substantially increase its grant – but this may itself be prompted by the mismanagement of the St Pancras project.

The library had bid for a grant of £88m this financial year, but received £85m. Next year it wanted £101m but has been offered £88m, and the year after it can expect £82m instead of the £96m it wanted.

Part of the extra had been intended to cover the one-off expenses of the relocation to St Pancras from Bloomsbury, such as book moves, extra staffing and maintenance costs.

But although the construction of the new building is the responsibility of the Heritage Department, the Kafkaesque difficulties of completing it have not gained the library much sympathy.

Problems with broken shelving, faulty air conditioning and sprinklers, not to mention contractual disputes with workmen, have meant it will not open fully before 1998. It was originally due in 1989.

The difficulties continue, according to reports from the site. All the doors are said to have been replaced, while the built-in drinks dispensers are already out of date, and the mains switches faulty.

In all, the building is expect-

ed to cost £496m, nearly three times early estimates. The public relations disaster – Prince Charles described it as "a dim collection of sheds groping for some symbolic significance" – will be worsened by the latest revelations.

Over the next four years the library intends to reduce staff by at least 200, about 10 per cent. Although it claims that the majority of jobs will be shed by natural wastage, it admits redundancies will be made.

As many as 40 senior management posts will be cut and dozens of jobs lost under plans to relocate acquisition and cataloguing duties to from London to Boston Spa.

The library also intends to cut £3m from its acquisitions budget this year and to save £1.7m by cancelling duplicates of overseas journals.

A further £1m will be taken from the book conservation budget and there will be a reduction of almost £200,000 – more than 10 per cent – in research grants.

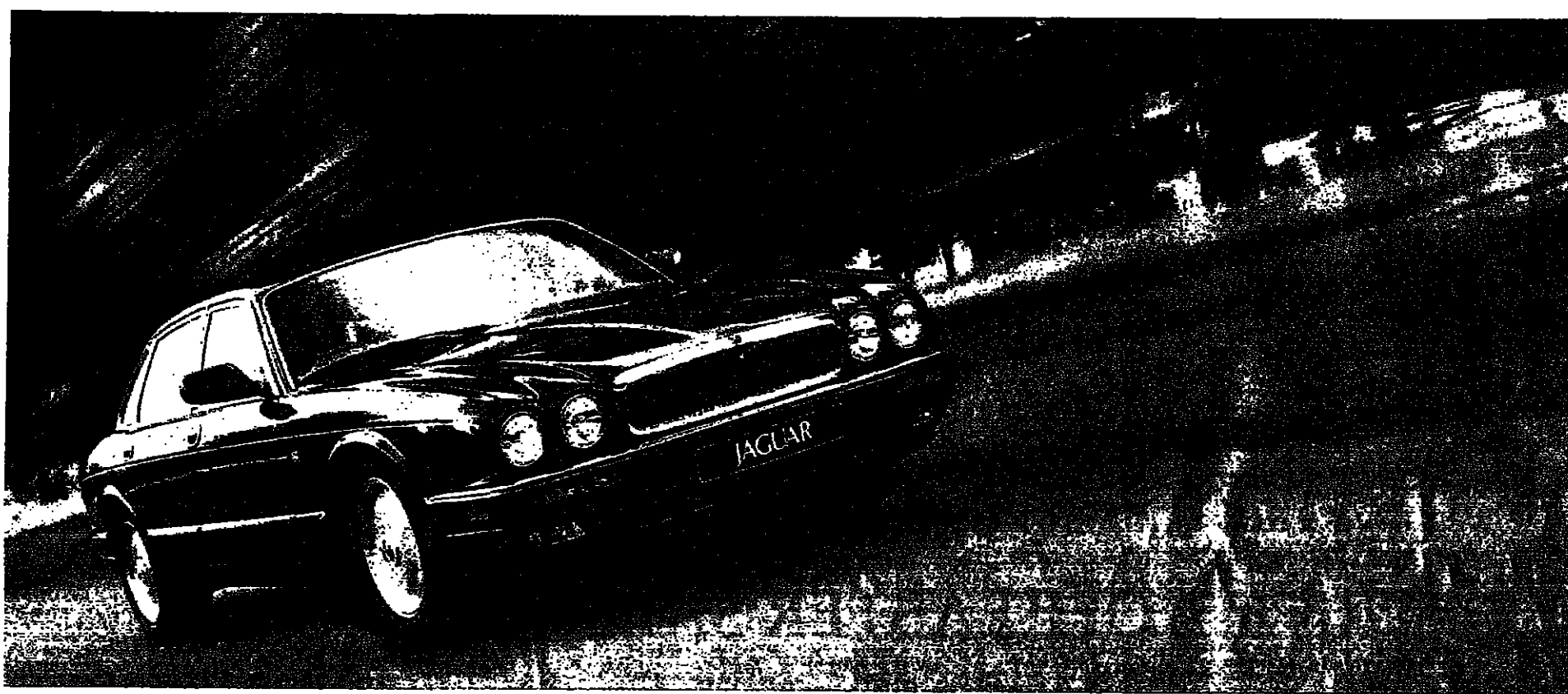
The research and development department will also be restructured to reduce the number of employees.

Such economies are not expected to fulfil the shortfall, however. The library intends to substantially push up the costs of its specialist search services, such as searches abroad, to raise extra revenue.

David Mellor, one of the nine Secretaries of State for National Heritage who shared responsibility for the British Library, has compared the building of the St Pancras site to pouring millions of pounds down a hole.

Brian Lake, secretary of the Regular Readers Group, said he was horrified by the cuts. "This is the destruction of an institution. It's reducing it to the status of a provincial library."

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Figure of legend: 19th-century ivory of Kannon, Goddess of Mercy, riding a giant carp (estimate £3,000-4,000), from a collection to be auctioned at Christie's sale of Japanese works of art on 15 April. Photograph: Tony Buckingham

'Sad' saga of the man, his wife and her lover

The "unusual and sad" saga of how a husband agreed to his wife's affair with a wealthy property developer in exchange for underwriting the pair's £200,000 debts ended in acrimony yesterday when the High Court ruled that their agreement was unenforceable.

Allen Marsh, 62, his wife Doreen, 59, now face losing their home to service the debts after Mr Justice Lindsay said Mr Marsh's agreement at a lunch with his wife's long-time lover, Basil Dunning, 69, was simply a "gentleman's agreement".

Although Mr Dunning had "dazzled" Mrs Marsh with his riches, the judge ordered that the Marshes should pay his costs. The couple, who were married in 1955 and have two grown-up daughters, were also directed to provide a sworn statement within 14 days if they had received anything above £500 for the story from the media. It was understood the *Daily* Mail and *Daily Express* had made approaches but no deal had been done.



Allen Marsh (left) approved affair of his wife, Doreen



The Marshes told the court that Mr Dunning, Mrs Marsh's lover since the 1960s, had offered in 1988 to buy a love-nest to carry on their affair after Mr Marsh had refused to let them see each other at his cherished cottage home near Salisbury in Wiltshire.

They said that Mr Dunning covered a £165,000 loan for the purchase of a £180,000 home near Winchester, Hampshire. But Mr Dunning, of south-east London, who ended the affair when he had a stroke in 1991,

said he always regarded the house as her property.

He also denied ever accepting liability for their debts, which included a £38,000 overdraft and Mrs Marsh's "expenses" incurred as his mistress, and alleged he was blackmailed by the couple, who threatened to tell his wife of the extent of the affair if he reneged.

The judge ruled that there was no basis in fact for any of the contracts. None of the three, he said, emerged without discredit from what was an "unusual and sad saga".

Mr Dunning attributed his stroke to the pressure which he

was put under and his second wife, Reeva, divorced him when she found out about the affair.

Mrs Marsh had had to disclose herself as a discarded mistress who had lost the high-spend life she had enjoyed with Mr Dunning and was now faced with considerable debt.

Her husband was faced with equal debt and also whatever opprobrium attached to a man who had been seen to have made such a bargain as he did at the lunch with Mr Dunning.

Mrs Marsh told the judge that Mr Dunning, who called her by her other first name, Louise, described her as a "Cinderella" and encouraged her to buy the "biggest, the best and the most expensive". This included dressing in designer suits and wearing expensive perfume. Once the couple moved into the new house her spending had "taken off".

Mr Dunning, who has been in financial difficulties since the late 1980s, was too incapacitated to give evidence in person.

But, in a statement read to the court, he said: "I was not a bottomless pit. It was not my intention to fund a permanent and ever-increasing overdraft."

None of the three - who all needed legal aid to pursue the proceedings - was in court.

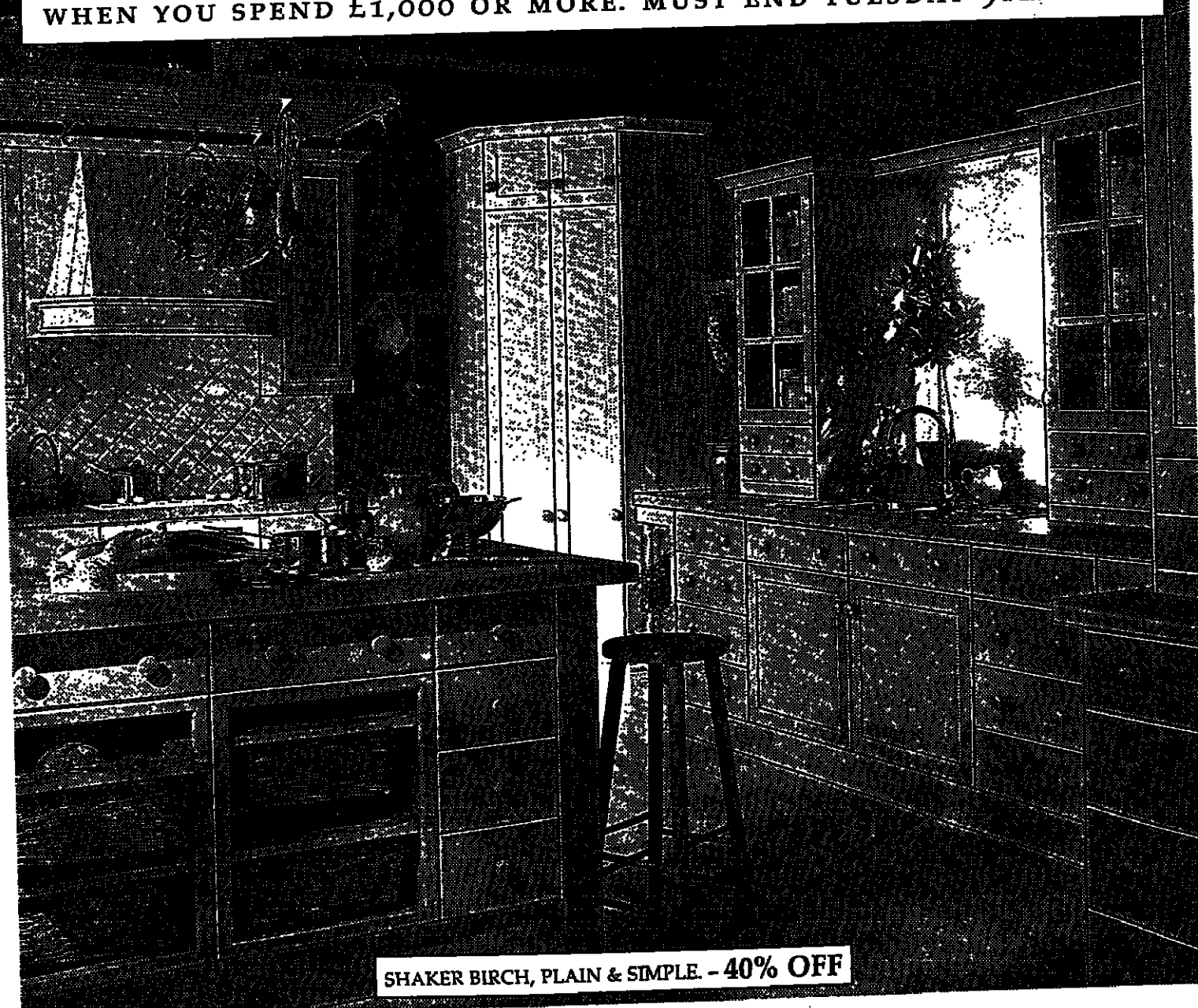
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£260m private hospital deal slated

COLIN BROWN
Chief political correspondent

Labour last night criticised the Government for giving Treasury approval to private consortiums to build two NHS hospitals at a total cost of £260m. The two deals were seen by ministers as ground-breaking investment in public service capital projects by private companies, which may release millions of pounds for NHS hospitals in the future.

But Labour warned it could be the "thin end of the wedge" for private enterprise in the health service, a charge denied by Health ministers. The consortiums will own the buildings at the end of the contracts, but NHS trusts may lease them. The hospitals will be privately built, but run by the NHS for NHS patients. There will be private patients units and the private companies will provide support services, including cleaning and maintenance.

Harriet Harman, Labour's health spokeswoman, said: "These are major departures for the NHS. We think they are using the private finance initiative to drive the private sector into the NHS."

The contracts are for the £170m Norfolk and Norwich hospital, providing 700 beds, to replace two hospitals in Norwich, by a consortium involving John Laing Construction; and a £90m rebuilding project for 520 beds at the Princess

Margaret Hospital, Swindon, by a consortium led by Tarmac with United Medical Enterprises.

The contracts for the hospitals have yet to be signed, and Whitehall officials denied the consortiums were waiting for the passage of a Bill being rushed through Parliament to give the Health Secretary, Stephen Dorrell, power to take over debts from hospital trusts.

The Bill was needed because some private sector companies had been anxious to ensure

that the Government would take on the debts, in the unlikely event that any NHS trusts went bankrupt, or were wound up.

If Labour win the next election, they will be bound by the contracts and will have to face running the NHS with privately-financed hospitals.

Ms Harman said the contracts were "shrouded in secrecy" and needed to be opened to public accountability. The Norfolk and Norwich contract will run for 60 years; at the end

of the term, the NHS trust has the option of taking the hospital into its ownership. The NHS Trust will employ the staff and there can be no change to the facilities without specific agreement of the Trust.

At the Swindon hospital, the contract will run for 25 years with an option to extend it for 15 years. After construction, the consortium, the Hospital Company, will own the buildings and lease them to the Trust.

£14bn target, page 22

Tories find new ground to fight over Europe

- Referendum deal fails to calm troops
- Rifkind rejects calls for 60% majority

Tory backbenchers at opposite ends of the referendum debate quickly made plain that John Major's compromise pledge of a plebiscite on a single currency has not ended the wrangling.

Iain Duncan-Smith, one of the more cerebral sceptics, tried to raise the hurdle for the Euro to a 60 per cent majority while Sir Terence Higgins denounced the referendum idea as "incompatible with our system of parliamentary democracy".

As most of the Tory party heaved a sigh of relief over the deal between the Prime Minister and his stubbornly anti-referendum Chancellor, Sir Terence, a former Treasury minister, warned that if the Cabinet campaigned for a single currency and lost, it would have to go. "It would be fatuous of [ministers] to then say they had changed their mind. They would have no option but to resign," he said at Question Time.

Malcolm Rifkind, the Foreign Secretary, did not admit as much but said it was "crucially important" that the judgement of the electorate was respected.

Mr Rifkind, who had to prepare a Cabinet paper on the referendum options, was firmer with Mr Duncan-Smith, rejecting his assertion that any referendum on a single currency would need a 60 per cent majority as it would be constitutional change. "A simple majority would be the proper way of addressing the judgement of the electorate," he told the Chingford MP.

Robin Cook, Labour's foreign affairs spokesman, asked if Mr Rifkind recalled Mr Major telling Parliament he was "not in favour of referendums". He added: "When did the Prime Minister change his mind?"

But Mr Rifkind was having nothing to do with old positions. "The Government and the

Conservative Party believe very strongly that it is important that, in circumstances where a general election might not be able to resolve matters of this importance, that the electorate should be able to do so through a referendum."

Europhobia was given full rein as Douglas Hogg, Minister for Agriculture, made a statement on further measures to try and help the beef industry through the BSE crisis.

The EU-imposed ban on British beef was not justified, Mr Hogg insisted. "It is not based on sound scientific analysis. It

Inside Parliament

Stephen Goodwin

is disproportionate. It should be removed," he said.

Former Cabinet minister John Biffen said the industry did not want another "politically motivated" slaughter scheme initiated by those in Europe who did not have British interests at heart. And Sir Geoffrey Johnson Smith, a member of the Tory 1922 committee executive, questioned the legality of the ban. "There is growing loss of confidence in the integrity of the ministers of the European Union," he said.

Arch-sceptic Nicholas Budgen, MP for Wolverhampton SW, rallied against the "completely unnecessary slaughter" of healthy herds on family farms. "If the EU in its arbitrary, unaccountable way forces our farmers to make such a cruel sacrifice to the European gods it will be remembered for many a long year," he warned.

How Clarke secured his European deal

Concessions to Chancellor were key to Tory accord, reports Donald Macintyre

By the time Kenneth Clarke left for a trip to Southern Africa last month he was in a thoroughly bad mood. The most immediate cause was an interview he had given to the *Daily Telegraph* in which he had remarked casually that he was "sympathetic" to a single currency.

It was not so much that the paper had given such prominence to the remark, which scarcely surprised anyone. It was more the commotion it had caused in the party among those Euro-sceptics for whom Mr Clarke, like Douglas Hogg, used to be, is the man they love to hate. There was also some discreet sucking of teeth from the Prime Minister's office.

It was against this background that the referendum issue came to the boil. The issue was raised at Cabinet by Douglas Hogg and John Major secured agreement for a Foreign Office paper to be prepared on a referendum.

Mr Clarke had always been opposed to a referendum but he would probably have been disinclined to push his opposition to the limit if it had not looked once again that the govern-

ment were running scared of its Euro-sceptics.

But when he returned from Africa he was plunged into the frantic negotiations with Brussels on BSE. It was only this week that Michael Heseltine, Mr Major and Mr Clarke met to seal yesterday's deal. Michael Heseltine has been depicted as a deal's broker; those close to Mr Clarke say that they saw no sign of that. On the contrary, Mr Heseltine's views appeared identical.

That underlines the achievement of Mr Major in exercising his authority over the two most powerful members of his Cabinet. But it also illustrates that Mr Clarke - who had support from Sir George Young and Sir Patrick Mayhew - was not as isolated as he seemed.

Mr Major quickly found out that Mr Clarke was in deadly earnest. Mr Clarke may not have threatened to resign in front of the full Cabinet. But he left Mr Major in no doubt that he was not prepared to be in a "Euro-sceptic government."

Which comes to how he came to secure three conditions in those talks with the Prime



Bloodied but unbowed: The Chancellor Kenneth Clarke at the Cabinet meeting yesterday Photograph: Geraint Lewis

Minister and his deputy. According to one Whitehall insider Mr Clarke was "love bombed" by Mr Major over the last week or so. But more important were the terms attached to the referendum announcement.

The first was that it should apply only for the next Parliament. The rationale of the referendum pledge was therefore not that a single currency decision was such an epic one that

it necessarily required a referendum; rather that since the Tories would not, in the exceptional circumstances of the next election, have a mandate one way or the other on a single currency, the people's right to decide could only be met by a referendum.

Secondly there would be collective Cabinet responsibility so that Euro-sceptic ministers would have to resign if the

wanted to campaign for a no vote. And thirdly the authority of Parliament would be reinforced by allowing it to pass a single currency bill before it went to a referendum.

Beyond that was policy up to the general election. The last thing Mr Clarke wanted a repeat of the embarrassing Diet of Brussels advertisements in the 1989 European elections. Malcolm Rifkind's ringing

promise yesterday that ministers would not rule out a single currency in the next Parliament suggests that Mr Clarke and Mr Heseltine made headway over that.

This doesn't mean that Mr Clarke, and by all accounts Mr Heseltine, did not suffer a defeat. He did. But he lives to fight another day and he is still the Chancellor Mr Major cannot afford to lose.



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international

Yeltsin launches bid for re-election

HELEN WOMACK
Moscow

Undeterred by fresh fighting in Chechnya and a chorus of economists' criticism over Russia's new union with Belarus, Boris Yeltsin yesterday formally registered himself as a candidate for June's presidential election.

After his campaign team handed over 1 million signatures of support and his tax declaration, showing he earned the equivalent of \$6,000 last year, the Central Election Commission gave him the go-ahead to start officially wooing the voters.

Mr Yeltsin was second on the list of registered candidates after the Communist leader, Gennady Zyuganov, who managed to gather his signatures first. He is also second in the opinion polls with a predicted 21 per cent of the vote compared with Mr Zyuganov on 27 per cent. But he hopes to finish in the lead and regain his Kremlin office.

There was one piece of encouraging news for Mr Yeltsin yesterday when Father Gleb Yakunin, a democratically-inclined Orthodox priest who spent years in Soviet prisons for his beliefs, declared his support for the incumbent President. Mr Yeltsin's candidacy constituted a "lesser evil", he said.

But other leading democrats, including Yelena Bonner, the widow of the human rights campaigner Andrei Sakharov, have thrown their weight behind Grigory Yavlinsky, the market reformer who is expected to register his candidacy shortly. The extreme nationalist, Vladimir Zhirinovskiy, and the more moderate nationalist, General Alexander Lebed, have also declared their intentions of running.

It is because of the disastrous war in Chechnya that Mr Yeltsin has lost the support of many democrats who helped to bring him to power in 1991. On Sunday he unveiled a belated peace initiative, promising a par-

tial troop withdrawal and even offering talks through mediators with the separatist leader, General Dzhokhar Dudayev. But a vicious attack on the village of Shalazhi in south-west Chechnya yesterday threw the plan into doubt.

The commander of Moscow's forces in Chechnya, General Vyacheslav Tikhomirov, strenuously denied his forces were involved in the attack, raising suspicions that it could have been the work of hardliners in the Russian military intent on wrecking chances of peace.

There were conflicting reports about General Dudayev's attitude to Mr Yeltsin's initiative. Tass news agency said he had dismissed it out of hand when he appeared on Chechen TV late on Tuesday, using a secret transmitter. He vowed to fight "to the last Chechen" unless all Russian troops left.

But Interfax news agency, quoting sources close to the rebel leader, said he had given approval for a member of the Chechen diaspora in Moscow to meet President Yeltsin's representative, Shaimiyev of Tatarstan, who has offered his services as a mediator.

Mr Yeltsin may be struggling to keep the Russian Federation intact but he is hoping to persuade voters that he is having more success in bringing former Soviet republics back into voluntary partnership.

On Tuesday he signed an agreement with the President of Belarus, Alexander Lukashenko, on the creation of a common market.

But yesterday Russian economists criticised the treaty as hasty and harmful to the interests of their country, which has made far more progress in market reform than Belarus. "It is either impossible to implement what the treaty says or it would lead to grave consequences," said Alexander Pochinok, head of the State Duma's tax subcommittee.

Going wild in the comfort of cyberspace



Snap judgment: Winterstorm, Yosemite National Park, by Ansel Adams, who died in 1984. The electronic rights to his 2,500 images of the American wilderness have been obtained by a digital-images company owned by Bill Gates, which means the photographs can now be admired on the Internet

Whitewater evidence a 'bunch of bull'

RUPERT CORNWELL
Washington

If there is a Whitewater criminal case against Bill Clinton, then this was it: the charge by a former banker and municipal judge that the then Governor of Arkansas, now 42nd President of the United States, helped arrange an illegal \$150,000 loan (\$97,000) to help a tottering savings bank owned by one of his friends.

That friend was James McDougal, Little Rock entrepreneur and Mr and Mrs Clinton's partner in the original Whitewater property venture, estab-

lished in 1979, and currently on trial for embezzlement and fraud in the first case brought to court by the Government-appointed prosecutor probing the Whitewater affair. The former banker and judge is David Hale, a convicted felon who is now the President's prime accuser.

This week Mr Hale repeated, under oath, his story of a meeting between himself, Mr Clinton and Mr McDougal in January 1986 to finalise the \$150,000 loan to be made by a Government-backed investment company run by Mr Hale.

Theoretically, the company was supposed to lend only to

disadvantaged businesses. This time, according to Mr Hale, the money would be channelled directly to Mr Clinton and to a company owned by Mr McDougal's wife, to help prop up her husband's Madison Guaranty bank, under scrutiny by federal investigators and already close to collapse.

At one point, said Mr Hale, Mr Clinton even offered to put up land as security for the loan, but was told that was unnecessary. But the then Governor did insist: "My name cannot appear on this." To which Mr McDougal is said to have replied: "Don't worry." Ultimately the

loan increased to \$300,000, which was lost when Madison finally went under in 1989. A damning indictment - except for one small problem: Mr Hale may not be telling the truth.

Two years ago, when the charge surfaced, Mr Clinton called the Hale story, "a bunch of bull", and the White House yesterday made clear the President will say so again when he gives evidence by videotape on 28 April. Mr McDougal flatly denies the meeting took place, and on the witness stand Mr Hale was embarrassingly unable to remember details about it.

Most damaging of all to his credibility, Mr Hale has struck a plea-bargain with prosecutors to testify against Mr McDougal in exchange for a reduced sentence. Last month he was sentenced to 28 months in jail after admitting his company defrauded the Government of some \$2 million. "Bill Clinton is simply David Hale's meal ticket to a shorter sentence," said a lawyer for the McDougal.

So it will be a sitting President's word against that of a future prison inmate, hardly an even match. But the Whitewater enigma will remain, nurtured by the impossibility of proving a negative.

Peking dismisses 'Dying Rooms' as lies

TERESA POOLE
Peking

Three months after allegations about death rates in Chinese orphanages, Peking published a white paper attacking "fabrications" by international human rights groups. But the report did not provide figures to refute charges about the number of orphans who have recently died in institutions.

The timing of the paper was clearly linked to a draft resolution being drawn up at the UN in Geneva.

The white paper focused on improvements in health, education and nutrition for the country's 300 million under the age of 16, and slammed allegations by Human Rights Watch/Asia and the Channel Four documentary *The Dying Rooms*, as untrue. The television programme was staged in a warehouse, it said.

The paper admitted China faced "difficulties" in providing child care for orphans, and abandoned and disabled children. "The state is not able to amass in a short period enough money to fully satisfy the actual needs in the protection of these children," it said.

The Human Rights Watch report, published in January, reproduced figures from the 1990 Ministry of Civil Affairs yearbook showing how in 1989 one-quarter of the babies and children in urban orphanages died. The report included evidence from the Shanghai Children's Welfare Institute, where deliberate malnutrition allegedly contributed to the deaths of more than 1,000 children from 1986-92.

Despite requests, the government has not produced statistics which contradict the Human Rights Watch report.

The white paper admitted conditions at orphanages vary but says only 20,000 children are in welfare facilities. The HRW report pointed out that the *People's Daily* less than a year ago gave the number of orphans as 100,000. The white paper's statistics also show the amount spent on primary education per child per year is only £7.

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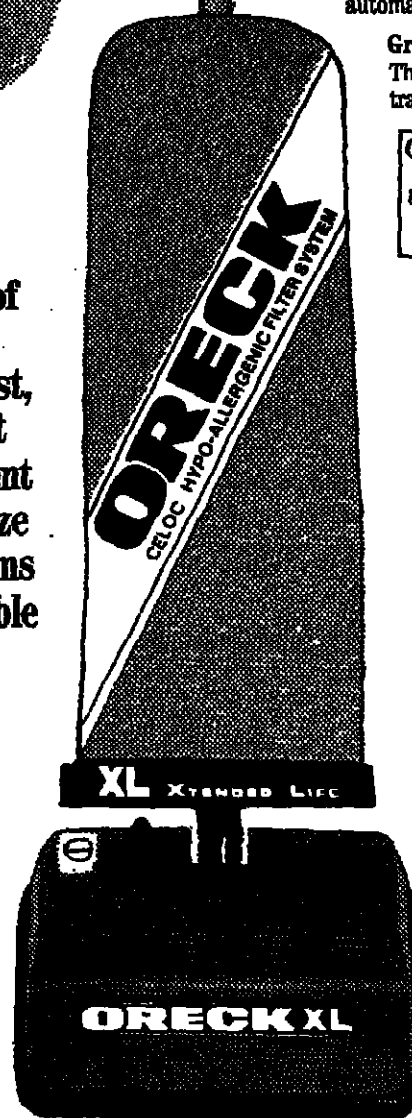
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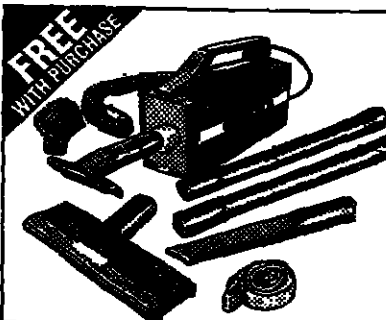
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Politicians add brawn to India's campaign trail

IM MCGIRK
New Delhi

One of the first trips that any Indian politician makes during his election campaign is to the nearest *akhara*, the gymnasium of wrestlers. There, from among the muscled and oiled youths gapping in thick mud, the politician will choose his campaign staff.

More crucial than speechwriters or spin doctors, the wrestler acts as the Indian politician's bodyguard and his buying enforcer who gets out the vote through bribes, threats and free booze. Or, when all else fails, gangs of these wrestlers are hired to steal the ballot boxes on election day.

This free-for-all general election, to be held next month, the service of these rent-a-gangs is much in demand. The battle among the three main parties - the ruling Congress party, the right-wing Hindu Bhartiya Janata Party (BJP) and the leftist coalition, the National Front - is expected to be closely fought and dirty.

All parties have been hit by



Jayalalitha: Film actress turned politician

last-minute defections, Congress the worst. The Congress party's leader, premier Narasimha Rao, 74, yesterday was left staggering after the resignation of two cabinet ministers - P Chidambaram of commerce and M Arunachalam in charge of industry. Both men were vital to Mr Rao's campaign in the southern states, and Mr Chidambaram was also a leading architect behind the government's economic reforms.

The two ministers are from Tamil Nadu and were angered by Mr Rao's pact with the state's chief minister, a preening ex-film actress named Jayalalitha. Both are joining a breakaway party led by another Congressman, GK Moondra, who described Ms Jayalalitha as "undemocratic, fascist and corrupt".

An opinion poll conducted by Outlook magazine showed that although Congress is expected

to win most seats in the 545-member Lok Sabha, or lower house, Mr Rao's party will be failing to reach a majority. Gains by the BJP and the leftist coalition are expected to reduce Congress's share to less than 200 parliamentary seats. If this forecast proves true, India faces the unsettling prospect of a hung parliament, or a coalition government patched together between one of the big three parties and the rowdy regional ones.

Like the gymnasium wrestler intent on grinding his opponent's face in the mud, the politicians have lost sight of any goal beyond their own personal victory. None of the parties is willing to confront urgent issues such as India's booming population or its poverty. With nearly 50 births every minute, India's population growth is the highest in the world. This has eroded the advances made by the Congress government's economic reforms; yearly income has dropped from \$330 (£215) in 1991 to \$290 in 1993. Over 40 per cent of India's 920 million people live in poverty.

Ignored, too, in the electoral fray is the fact that India spends only \$9 a year per person on education and one dollar on health. Health experts consider 65 per cent of all Indian children under the age of five to be malnourished.

Mr Rao is committed to liberalising India's economy. But his leftist and right-wing foes are trying to persuade voters that Mr Rao's reforms have gone too far, too fast and have failed to lift India's poor out of misery. Both the BJP and the National Front claim that if elected, they will restrict foreign investment to power and infrastructure. They want to kick out Coca-Cola, Kentucky Fried Chicken and the other brand names which to them symbolise all that is wrong with the West.

Many of the country's top politicians are facing charges in a huge corruption scandal. Few doubt that the police investigation was triggered by Mr Rao, since the victims are his biggest rivals both inside and outside his Congress party. Seven of Mr Rao's ministers were forced to resign and all were denied party tickets for the May elections. Mr Rao's gamble may have backfired, however; several of his ex-ministers are running as independents or have joined other parties.

The polls giving Congress an edge over the others was released before Mr Rao's party chiefs rebelled against him in Tamil Nadu. His strategy - concentrating his forces in the south instead of the northern

states where Congress has lost ground to the National Front - now looks misguided. Not only may Congress lose, but Mr Rao, by crushing all adversaries within his party, may have shattered Congress for years to come.

Amid the thousands of candidates are several bandits, Bombay film stars and even a eunuch named after Kali, the goddess of destruction. Kali recently said: "Men and women have both been given chances, but they all turned out to be dishonest. Now give us eunuchs a chance." Not surprisingly, a few ex-wrestlers are now trying to become MPs, too. They have flung their own political bosses out of the arena.



Street party: Supporters of Narasimha Rao's Congress Party dancing at an election rally in New Delhi yesterday Photograph: Sunil Malhotra/Reuters

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IN BRIEF

US warning on Libya chemical-arms plant

Ismaïlia - The US would not rule out military action to stop Libya making chemical weapons, the Defense Secretary, William Perry, said, adding that he had shown Egypt's President, Hosni Mubarak, evidence of a programme to develop them. Asked if he would rule out military force, he replied: "I wouldn't rule anything out and I wouldn't rule anything in."

Suffer the working children

Geneva - Millions of children were employed in conditions difficult or dangerous for their health, the International Labour Organisation said. And in a report on selected areas of India, Indonesia, Ghana and Senegal, it said 25 per cent of children aged 15 or under were in full- or part-time jobs.

Massacre Nazi was 'only obeying Hitler'

Rome - Erich Priebke, accused of massacring Italian civilians, expressed sympathy to relatives but said he was just carrying out Hitler's orders. "I lived ... with this weight in my heart but the revenge was legitimate," he told a closed hearing in a military court which must decide whether to order a trial for his role in killing 335 civilians in 1944 in an area of caves near Rome.

Seychelles says it is cleaning up its act

Victoria - The Seychelles passed anti-money-laundering legislation to stop abuse of a liberal foreign-investment law which critics say will turn it into a haven for rich criminals.

Sect deaths were mostly murder

Fribourg - The judge leading the inquiry into the deaths of 54 members of the Order of the Solar Temple cult in 1994 said all 15 had been murdered. Presenting a final report, Andre Pillitteri said there was no evidence any killer or witness had survived the killings in two Swiss villages and a Quebec ski resort.

Fatal attraction

Hare - A husband allegedly beat his wife to death after being angered by her "sugary" dancing at a party. Memory Enock's arched by her "sugary" dancing at a party, Memory Enock's arched by her "sugary" dancing at a party, Memory Enock's arched by her "sugary" dancing at a party, Memory Enock's arched by her "sugary" dancing at a party.

Honey, I'm home

Peleg - Gu Yingming, a farmer in Shaanxi province, had an unexpected visitor: a wild panda strolled into his home and sat down for dinner. Residents of Jiuchi are used to seeing the animal roaming the village. It later found a pair of honey, had another feast, and walked into a cattle pen and fell asleep.

Drown by blind ambition

Madrid - For three years Jose Pinto, who is 95 per cent blind, and drove seven miles to work, navigating by watching out for - and avoiding - shapes and shadows, said police who arrested him driving a car that did not have a scratch on it. He was later released without charge.

international

'Bodies have been taken away'

UN investigators complain burial sites have been tampered with, writes Emma Daly in Zvornik

War crimes investigators began collecting evidence from a suspected mass grave yesterday but said they feared Bosnian Serbs might have moved many bodies buried at Sahanici One, an alleged execution site for hundreds of Muslim men from Srebrenica.

The six investigators, including a forensic specialist, John Gerns, began by video-taping and photographing the 1,500m squared site, then marked it with yellow tape. "Police line. Do not cross." But they seemed gloomy about the prospects: one was overheard to say it was obvious the site was tampered with recently, and that bodies could have been removed.

US troops serving with Nato's peace implementation force, 1-For, accompanied the team but will not guard the site: "It's just not a mission I have," Colonel John Batiste said yesterday, adding he did not fear further interference by the Bosnian Serbs, despite the obvious damage done to the site in the past few weeks.

Large clumps of freshly turned earth, marked by the tracks of large vehicles, over half the site, contrast with new grass covering the back part. "I'm not optimistic," one investigator said, gesturing at the mounds of loam. "They may have done a pretty good job of cleaning up," said another.

Mr Gerns, dressed in blue overalls, heavy gum-boots and thick orange gloves, moved slowly up and down, prodding the earth with a 4ft probe.

"He has the worst job," a colleague explained: to push the probe down, pull it back and smell it for traces of human flesh. Mr Gerns placed a line of sticks in the ground, to mark the area where he planned to dig a trench.

But even above ground, the grim signs were all too clear. Almost hidden under a clump of grass lay a spine with a few ribs attached; nearby, was a jawbone and a human femur. A few yards away, close to a pile of clothes, shoes and blindfolds cut from pink cloth, reporters found a medical card.



Death scene: A woman wailing in grief on seeing the exhumed remains of Serb men killed in Mrkonjic Grad when it was held by Croats

It once belonged to Mehmed Rizo, who was born in 1939 and came from Suceasa, a small town close to Srebrenica, and it had been signed and stamped by a doctor from the former enclave. The International Red Cross has registered the names of 8,000 people missing since the fall of Srebrenica in July. Officials have said they believe that almost half, at least 3,000, are dead.

Three other suspected mass graves beside the main road from Zvornik to the Bosnian Serb headquarters at Pale appear to be completely undisturbed. Covered in new grass, they look like ordinary fields, save for fragments of clothing and a protruding bone. A third site, closer to Srebrenica, consists of two large, muddy areas



Mladic: seen by victims at the execution and burial site

It is impossible to tell whether they have been tampered with. At Sahanici One, the investigators searched the area closely, bagging evidence - the label from a box of 7.62 ammunition, a tin containing 1260 rounds -

from the killing ground. Survivors say hundreds of people, perhaps 1,500, were taken to the school in the neighbouring village, blindfolded, loaded into open trucks in shifts, ferried to the site, and shot.

The victims were visited, the three survivors have said, by General Ratko Mladic, the Bosnian Serb commander who has been indicted for genocide and crimes against humanity over the Srebrenica massacres. As the men cowered in the gym of the school, packed tightly into a room big enough to house a basketball court, the Serb general stalked in and told them that they would be sent to a work camp. But then the trucks rolled in. The men next saw General Mladic at the execution and burial site.

The gym was deserted yesterday, though children had played outside the day before. Inside the hall, debris supporting the witnesses' stories was everywhere: spent rifle shells, odd shoes, spatters of what looked like blood, discarded blindfolds, even a swathe of the same pink material from which the blindfolds had been roughly cut. The scene stank. The investigators are expected to visit soon.

But locals who could hardly have avoided noticing the stream of trucks pulling out filled with men and returning empty, their journeys punctuated by the sound of gunfire only 2km up the road, are determined to deny they knew anything. The school, too, was tranquil last summer.

"No, nothing happened there," said Nada. "That's where the children play."

Malcolm Rifkind, the Foreign Secretary, told the Commons yesterday he was sure 1-For and the Bosnian police would respond to any request to ensure suspected mass graves were not tampered with.

Pressed over attempts to cover up evidence of genocide, Mr Rifkind condemned any interference with sensitive sites and said the government was working with the International Criminal Tribunal. Raising the issue, highlighted in the Independent, Peter Hain, Labour MP for Neath, said it was "totally unacceptable that 1-For should be failing to secure the suspected sites of mass graves".

Leading article, page 20

Skilled fixer who healed the Democrats

Ron Brown, the US Commerce Secretary whose plane crashed yesterday off Dubrovnik, has been one of the less trumpeted successes of the Clinton administration, an assiduous promoter of US business abroad and a powerful behind-the-scenes counsellor in the affairs of the Democratic party whose chairman he used to be.

Of all the major agencies of American government, the Commerce Department is arguably the least understood, portrayed by its foes - not least among would-be government downsizers in the Republican party who would simply abolish it - as a rambling ineffectual bureaucracy that consumes taxpayer dollars to no appreciable purpose or result.

Ty telling that however to the scores of chief executives of US corporations who have accompanied him on trade missions to every corner of the earth, from Russia to China to the Middle East, and now to the former Yugoslavia where several CEOs were believed to be aboard Mr Brown's Boeing 737 jet. "As far as I am concerned, he is the star of this administration," Edgar Woolard, chairman of DuPont, has said. George Fisher, head of Eastman Kodak and another beneficiary of the Brown selling skills agrees: "He's given us more support than anyone I've ever seen in this department."

In fact, such skills come as no surprise to anyone who has followed his earlier political career before he was appointed to the Cabinet in December 1992. Ron Brown, born in Washington DC in 1941, epitomises the capital insider, suave and discreet, a master of that intricate, incestuous world where politics, lobbying and business interlock - usually under the umbrella of high powered law firms like Patton, Boggs & Blow, where he was a partner for 11 years until 1992.

Above all he is a negotiator and a conciliator. In the dark years spanning the late 1980s and the start of the 1990s, when the prospect of a Democrat ever recapturing the White House seemed to border on the impossible, no-one did more to heal the party's internal wounds.

Rupert Cornwell in Washington on Ron Brown, champion of US business abroad

In 1988, as campaign manager of the Rev Jesse Jackson, he was an architect of the truce with Michael Dukakis, the eventual Democratic nominee. The following year he was named party chairman, and the recovery since is in fair measure his achievement. It was Mr Brown who soothed bruised egos, won over doubters, and prevented any campaign to ditch Bill Clinton in the spring of 1992, when the Arkansas Governor was trailing in the polls.

In July came the triumphant Democratic convention in New York, orchestrated by Mr Brown, after which Mr Clinton's ultimate victory was never seriously in doubt. Bill Clinton owed Ron Brown, as the saying is, a Cabinet-level job as an almost inevitable reward.

"He is one of the most talented people I've ever met in politics," says Susan Estlich, a leading Democratic party worker in California and longstanding friend. "Few have greater skill and charisma, and the sheer ability to bring people together. If you want to understand the resurgence of the Democratic party, look no further than Ron Brown."

In Government as well, that work has continued. Brown's visits to California - up to a dozen a year - are no small reason why Mr Clinton is doing so high in the polls in a state he must win this November to secure re-election.

But Mr Brown's private business dealings have long been a controversy, above all payment of almost \$500,000 from a former partner as settlement for his stake in a business which made no money and in which he invested neither money nor time. He received the money in 1993, when he was already in government. Whether the transaction amounts to influence-peddling is being investigated by an independent counsel.

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'Clean-air' bill: Battle lines drawn as government reacts to health fears and unveils proposals that include traffic restrictions

France wakes up to scourge of the car

MARY DEJEVSKY

The French government yesterday presented a bill to combat pollution in cities and to breathe the air that does it damage their health.

Car use in urban areas is set to be restricted as much as possible, with shops and other businesses being urged to close during the worst of the pollution.

The measures are a response to growing worries about air quality in cities and towns. In 1995, the air in Paris was periodically more polluted than in London or Rome and diesel fumes from cars made some suburbs dangerous to live in. Among proposed measures are an obligation on all councils to monitor quality of air and publish the information.

and targets for clean air; a provision allowing local traffic restrictions when pollution is forecast to reach an unacceptable level; and studies to re-examine "the role of the car" in conjunctions of more than 250,000 people. Most of the measures will not come into force until 1998.

The bill was presented with huge fanfare. The Environment Minister, Corinne Lepage, gave an 8am press conference and collected the first credit. The Prime Minister, Alain Juppé, was driven to the weekly cabinet meeting in a special "clean-fuel" car, then went to one of the air-quality monitoring points in Paris to underline Ms Lepage's measures and announce a few more. In between, President Jacques Chirac had described the bill as "balanced and innovative".

Many people, however, not just environmental campaigners, expressed disappointment and voiced suspicion that the statu-

tory controls and traffic restrictions broached in discussion of the bill had fallen victim to more powerful lobbies, notably the car and fuel producers.

One specific proposal, for an extra 0.4 centime of tax on every litre of fuel to help pay for the measures, was reportedly rejected at the last minute and so other ways of meeting the estimated 350m-franc (£46m) cost will have to be found.

While the bill falls far short of what many expected, it is still something of a departure for France, which has been years behind most north European countries in its embrace of "green" issues. Recycling is relatively undeveloped and until very recently air quality was not an issue.

Explanations given include a Mediterranean lack of concern about public spaces, the low population density of much of France and the climatic peculiarities of Paris, where the air is regularly "cleaned" by strong

winds. Static air, rather than the volume of traffic, took much of the blame for this summer's problems in Paris.

The prevalence of diesel cars in France and a controversy about diesel pollution are complicating factors. Almost half France's private cars are diesel, because tax is lower than on petrol, lead-free petrol included. A suggestion (denied) that the government wanted to raise the tax on diesel caused an outcry just before last year's presidential election and may have contributed to Edouard Balladur's fall in opinion polls.

A recent report said diesel was as polluting as petrol and perhaps more dangerous. Since then, the government has hinted at reducing diesel's tax advantage. Yesterday, without mentioning diesel, Mr Juppé said tax and price incentives could be introduced for "cleaner" cars. At present, the only incentive is free city parking for France's few electric cars.



Autogeddon: Gridlock during the most recent strikes in France, when vehicle use rocketed, contributing to pollution

Contented lot find happiness can be addictive

MARY DEJEVSKY

Comped with north Europeans, Britons included, the French tend to look happy with their lot whether commuting, shopping or just going about their day business. A survey last year showed more than 90 per cent were "happy to be French".

Recent, though, a malign explanation for all this contentment emerged in the form of a report by a psychiatrist, Edouard Zeff, who found that the French were far and away the biggest users of antidepressants, tranquillisers and other "happiness" pills in Europe. The health Ministry responded by announcing a project to check usage of such drugs and find out why consumption is so high.

According to Dr Zeff's study, the French take nine times as many tranquillisers as the British, twice as many sleeping pills as the Germans and twice as many painkillers as the Italians.

More than 200,000 people have been in some form of tranquilliser for at least five years, some for more than 10, and are addicted.

Introducing the new project yesterday, the Health Minister, Hervé Gaymard, said doctors prescribing habits would be surveyed on a national basis, as would usage and the adverse effects of such drugs. The project is due to take two months and will be aimed at providing information for patients, as well as for the government.

While the word "cost" has not been mentioned in connection with the survey, this is likely to be one consideration. Spending on prescription drugs in France accounts for a large and growing proportion of health spending and curbing both the prescribing habits of doctors and the appetites of patients by voluntary means is one of the government's priorities.

Ministers hope that by reducing spending on drugs, they can maintain spending on hospital treatment and avoid the dread term "rationing" being applied to health care.

In this, Dr Zeff could be a useful ally. Interviewed over the weekend, he condemned what he called "collusion" between "experts" and "producers" and accused GPs of handing out tranquillisers on demand.

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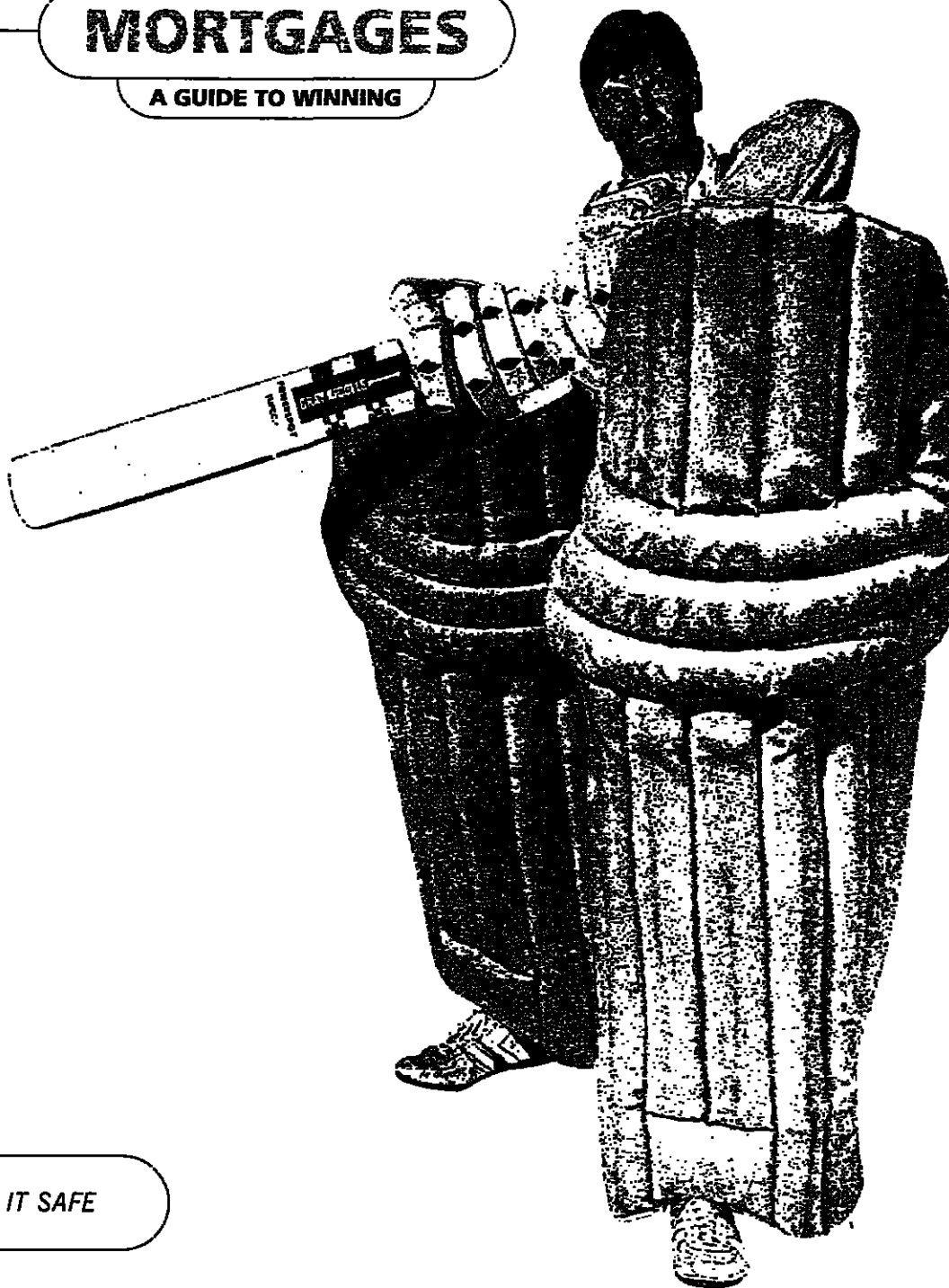


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Lebanese gamble: Chirac visit aims to put France back on Middle East map

Paris rekindles old alliance

ROBERT FISK
Beirut

Jacques Chirac cannot say he hasn't been warned. If he does not denounce the "foreign occupation" of Lebanon, the ex-rebel general, Michel Aoun, pontificated from his Paris exile yesterday, then Mr Chirac's visit to Lebanon today will represent support for "a collaborationist government".

The Lebanese ex-president Amin Gemayel, whose period of office here was characterised by political manipulation and corruption, told readers of *Le Figaro* that the nation preparing to receive the French leader was "under the jackboot". Will Mr Chirac notice on his arrival, Mr Gemayel asked acidly, how the walls of Beirut airport are covered with portraits of President Hafez el-Assad of Syria?

Indeed, they are. Dozens of them; and only a few of President Hrawi of Lebanon. Mr Chirac's host. But Mr Chirac is not going to damage France's relations with Syria for Messers Gemayel and Aoun any more than he is going to break off

relations with the Lebanese government if this year's parliamentary elections are not free and fair. Nor is Mr Chirac likely to smile at a trade union demonstration outside the parliament building, which is intended to embarrass his old friend, Rafiq Hariri, the Lebanese Prime Minister.

First and foremost, the Chirac visit is about "la gloire de la France" and his country's seemingly endless "mission civilisatrice" in the Arab world. Its long, often bloody and sometimes very odd relationship with Lebanon goes back to the crusades, when the local Maronites unwisely joined forces with the Christian "Franks" against the Muslims of Arabia.

In 1860, France sent an army to protect the same Maronite community after the Christian-Druze war. And in 1920, the one-armed First World War hero General Henri Gouraud turned up in Beirut on the authority of the League of Nations and carved the totally artificial state of Lebanon out of Syria.

France's League mandate, ostensibly shouldered on behalf



Chirac: First and foremost, his visit is about *La Gloire*

of those Arab nations which were not yet "ready" for independence, officially ended in 1946; some would say it goes on for ever. The Christian majority of the 1920s is now a minority, but one which still looks to France for inspiration and protection, as General Gouraud no doubt intended it should. French is the second language of Lebanon, whose Christians give their sons French names, send them to French universities, buy French literature at cut prices and read local French

newspapers and magazines.

France joined the multinational force's doomed mission to Lebanon in 1982 and shared its martyrdom when a Shiite suicide bomber blew up the French military headquarters the following year. Less honourable missions have included that of a French ministerial bodyguard who turned out to have been smuggling weapons out of civil war Lebanon and the visit of François Leotard to General Aoun in 1989, a trip for which the newly-elected leader of the French centre-right UDF coalition was rewarded with a totally worthless Lebanese passport by the grateful general.

Mr Chirac's journey has been preceded by those of Philippe Séguin, the president of the French assembly, Hervé de Charette, the Foreign Minister, and the former interior minister Charles Pasqua. Nevertheless, today's state visit has importance for both sides. The Hrawi-Hariri government has been isolated by the US travel ban - to be lifted if Lebanon will stop the Hizbollah attacking Israeli occupation soldiers - and

France's support for Lebanon is a symbol of the country's continuing links with the West.

Mr Chirac will address parliament, visit Mr Hariri and the Maronite Patriarch, Cardinal Sfeir, sign two financial assistance programmes, visit French UN troops in southern Lebanon and possibly express support for a French peace-keeping role here when - if - there is peace with Israel.

In reality, it is the decreasing likelihood of such an accord that makes Mr Chirac's visit all the more important. The collapse of the American-Israeli "peace process" is forcing Europeans to search for new policies in the region on the grounds that Europe will remain a neighbour of the Arabs long after the Oslo agreement is a dead letter.

And if a new peace process must return to the principles of UN resolutions 242 and 338 - total Israeli withdrawal in return for the security of all states in the area - then France's seat on the Security Council will give it a casting vote in the next attempt to end the Arab-Israeli conflict.



Tough talk: Yasser Arafat addresses protesting West Bank students yesterday

Arafat jeered by students

STEPHANIE NOLAN
Ramallah

West Bank university students protested outside the Palestinian authority prison in Ramallah yesterday, demanding the release of the hundreds of students and Hamas activists arrested in the past few weeks, while a mile down the road, Yasser Arafat was leading the first Palestinian Legislative

Council meeting ever to be held in the West Bank.

Speaking from an impromptu podium, the Palestinian President told the students he had come to them as soon as he heard of their gathering. But as he began to speak about "partnership" Mr Arafat was jeered by the crowd and some yelled "collaborator", the most hated epithet in the Palestinian lexicon. It was a marked change from

a scene only three months earlier, when Mr Arafat addressed an adoring crowd, the same site, days after, there had been abandoned Israeli soldiers redeploying from Ramallah. Now its cells a full again, with Palestinians rested in a crackdown on Hamas activists demanded by Israel after the recent suicide bombings. At least 450 students have been jailed in the past two weeks.

PATRICK COCKBURN
Jerusalem

Did General Ariel Sharon lie to the Israeli prime minister about his plans 14 years ago to take the Israeli army all the way to Beirut? He denies it but the fact that it is made by the son of Menachem Begin, prime minister during Israel's disastrous invasion of Lebanon in 1982, is reopening a feud in the right-wing Likud party, in which both men are leading figures.

The dispute centres on the allegation by Benny Begin that Gen Sharon, then Israel's defence minister, used permission for a limited incursion across the Lebanese border to launch a full-scale invasion. In the two years of fighting that followed, 600 Israelis and more than

11,500 people in Lebanon were killed, including 800 Palestinians massacred in the Sabra and Chatila refugee camps.

The claim resurfaced this week - at a deeply inconvenient moment for Likud in the run-up to the general election on 29 May - when testimony by Benny Begin in a libel case brought by Gen Sharon was made public. He quotes his father, whose political career was ended by the Lebanese war, as saying there was "no truth to the statements" made by Gen Sharon that the cabinet had been informed about plans to go all the way to Beirut.

Gen Sharon, who will hope for a senior cabinet post if Likud wins the election, called a press conference to rebut the accusations.

He said: "For 14 years I have been hounded by this libel that I lied to Menachem Begin." He says that the cabinet knew about his plans to send the army across a line 40km north of the Israeli border.

There is more at stake here than an historical argument about what happened in Lebanon between 1982 and 1984. It was the least successful war fought by Israel. Its aims were to marginalise the PLO and end Syrian predominance in Lebanon. In both of these objectives it wholly failed.

Likud, hoping to win some advantage out of the present government's problems in Lebanon, does not want memories of the invasion revived.

The scandal resurfaced because of Gen Sharon's fondness

for litigation, particularly against the press, which led him to sue the daily *Haaretz* for libel over an article, originally published in 1991, which said: "Menachem Begin knows very well that Sharon deceived him."

Other testimony in the case is also damaging to Gen Sharon. General Amram Mitzna, in charge of Israel's northern command in 1982, says that in the first days of the war he remembers Gen Sharon saying he did not want the government provided with very detailed maps. He wanted them rather to be on "a scale so that the national leadership wouldn't be able to see where the arrows were pointing."

A problem for Gen Sharon is that Menachem Begin, who died in 1992, was a national icon

for Likud supporters, so he needs to show that he had good relations with him. For the same reason, he needs to pull his punches in criticising Benny Begin, who has inherited some of his father's popularity.

The best history of the invasion, *Israel's Lebanon War*, by Zeev Schiff and Ehud Yaari, long ago concluded that Gen Sharon originally persuaded the cabinet to allow him to carry out a 48-hour, 40-km attack and that he then escalated it into an all-out war, using tactical developments on the ground as an excuse.

They conclude: "Born of the ambition of one wilful, reckless man, Israel's 1982 invasion of Lebanon was anchored in delusion, propelled by deceit and bound to end in calamity."

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Burundi tunes in to message of peace

DAVID ORR
Bujumbura

They call it Radio Umwizero which, in Kirundi, the language of Burundi, means Radio Hope. For tonight, the station has recorded a special programme on Burundi's cultural identity.

"We never give air time to people who are going to spout politics," explains Hubert Vielle, the French station head. "We want to broadcast a message of peace and reconciliation, particularly to the young people."

Radio Umwizero, officially launched last weekend, aims to provide a beacon of hope in this deeply divided country, where extremists are all too ready to preach words of hatred and ethnic division. Half a dozen propaganda sheets — both Hutu and Tutsi — have been banned by the government in recent weeks.

But Radio Democracy, the ironically named Hutu "Hate Station", is still beaming its supremacist contagion into Burundi from across the border in Zaire.

In this mountainous country of isolated rural communities with 80 per cent illiteracy, radio is a potent force for bringing people together — or for driving them still further apart. Those who broadcast for the common good are painfully mindful of the lethal potential of their medium.

The 1994 genocide in neighbouring Rwanda was largely fuelled by the invective poured forth by the extremist Hutu station, Radio Milles Collines.

A Franco-Burundian partnership, Radio Umwizero is funded by money from the European Union. At the moment it can only broadcast for four hours a day but, as the expertise of its small team develops, it is hoped to extend the air time to eight hours a day.

Such new ventures are few and far between in Burundi these days. The economy is in freefall and the government has only seven months of fiscal

reserves left for the payment of the military and civil service.

The confirmation this week by Burundi's two largest foreign donors, the US and the EU, that they had suspended all economic development aid to the country has come as a blow to an administration already in extremis. Until recently, aid from the international community accounted for nearly a quarter of Burundi's Growth Domestic Product.

USAID, the American Overseas Development Agency, is withholding \$21.5m of development aid. For its part, the EU is suspending \$6m of health aid and \$8m of budget support. A further \$70m of EU aid for new projects is not being disbursed because of the climate of violence that persists.

EU Commissioner Emma Bonino, who visited Burundi this week, said: "It's impossible for the international community to finance development programmes as long as there exists insecurity in this country. It's up to the authorities here to create the conditions for peace."

Despite a programme of "pacification" spearheaded by the Hutu president, Sylvestre Ntibunganya, and the Tutsi prime minister, Antoine Nduwayo, Burundi continues to slide ever deeper into chaos and civil war.

The violence has reached new levels of ferocity in recent weeks as attacks by Hutu rebels have broken out in the previously calm southern half of the country. The Tutsi-dominated army has been waging a campaign of often brutal suppression against Hutus in an effort to quell the insurgency.

Fighting between Hutus and minority Tutsis began after the assassination in 1993 of Burundi's first elected Hutu president, Melchior Ndadaye. Since then, the conflict has claimed tens of thousands of lives. Many fear Burundi could fall victim to the same ethnic cataclysm which engulfed Rwanda two years ago this weekend.

Rwanda racked by 'invisible genocide'

Nairobi (Reuters) — Tutsi survivors of genocide in Rwanda and witnesses were being hunted down by Hutu extremists in a new "invisible genocide" two years later, a human-rights group said yesterday.

In a report, "Killing the Evidence", on the second anniversary of the genocide, the London-based African Rights group said most of the killers were still at large and their targets were Hutu witnesses and Tutsi survivors of the first mass slaughter. "Genocidal extremists remain active, hunting down and murdering the survivors of the genocide and also targeting Hutu witnesses to intimidate

them into silence and, if necessary, kill them too. This is the invisible genocide that... continues, overlooked by most Rwandese and all international organisations."

But African Rights made only a passing mention of human-rights abuses by the Tutsi-led Rwanda Patriotic Army, which took power in July 1994 and halted the genocide.

Aid workers suspect some former killers were among Hutu refugees returning to Rwanda on UN-sponsored visits from Zaire camps this year because they wanted to discover whether any survivors were left at home to accuse them of involvement.



Legal blow: The white supremacist leader Eugene Terre-Blanche leaving the court after five members of his group were jailed

Photograph: Reuters

S Africa jails five neo-Nazis

JULIETTE SAUNDERS
Reuters

Johannesburg — Five South African neo-Nazis were each jailed for 26 years yesterday after being convicted of murdering 20 people in a bombing blitz aimed at disrupting South Africa's first democratic elections in 1994.

Relatives wept as the judge read out the sentences and were consoled by the Afrikaner Resistance Movement leader, Eugene Terre-Blanche.

Mr Terre-Blanche, in camouflage uniform, said he did not want to react immediately to the sentencing of the men, members of his white, right-wing movement, but would save his comments for a rally in Pretoria planned for last night.

Judge Monus Flemming delayed sentences against four right-wingers on the run after escaping from prison last month. Five others, convicted of possessing weapons and explosives, were sentenced from three to just over six years.



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obituaries / gazette

The Rev Arthur Morton

For nearly a quarter of a century, from 1954 to 1979, Arthur Morton was the public face of the National Society for the Prevention of Cruelty to Children.

As the NSPCC's director he became known through frequent radio broadcasts and television appearances. He was also much in demand as a speaker, not only at meetings of the society's branches throughout England, Wales and Northern Ireland, but at many outside bodies as well.

His time at the helm coincided with major changes in the way charities were run. Among other achievements, he fought hard to obtain realistic funding from the Government, turned round a Home Office recommendation that the NSPCC lose its ability to initiate proceedings in the juvenile courts, and in the early 1970s brought staff pay in line with salaries in local authorities – to prevent the continual poaching of the NSPCC's well-trained, but poorly paid staff.

Born in Bakewell, Derbyshire, in 1913, Morton was educated at the Imperial Service College at Windsor and Jesus College, Cambridge, where he read History. Before joining the NSPCC he served as a chaplain for 10 years with the Missions to Seamen in Manchester. It



Morton: face of the NSPCC

was an appointment more suited to his undoubted talents than the two to three years he had spent as a curate following training for the ministry at Wycliffe Hall, Oxford, and ordination. At Manchester he was the cricket-loving parson with a robust sense of humour and an easy rapport with the seamen he was there to serve. The chance to move to the NSPCC came in 1951 when he was appointed Assistant Director. Just three years later, following the death on holiday in Switzerland of the then director, the Rev Wilton N. McCann, Arthur Morton was elected to succeed him and only retired in 1979 following the onset of Parkinson's disease.

The first director of the so-

ciety, and one of its founding fathers, was the Rev Benjamin Waugh (1839-1908), a congregational minister. He had ensured that, from its beginnings in 1884, the society was not linked to any religion or denomination, and so was free to go to the help of any child of whatever creed or of none. Morton, another clergyman, shared Waugh's sentiment to the full, sometimes referring to the NSPCC as a secular charity.

The years from 1954 to 1979 were difficult ones for the NSPCC. Early on, there were delicate negotiations to be handled which were to lead to the branches in the Republic of Ireland leaving the parent body in 1956 and setting up as the Irish Society for the Prevention of Cruelty to Children.

In October 1960 the Departmental Committee on Children and Young Persons set up by the Home Office under the chairmanship of Viscount Ingleby reported. The committee had been given the task of considering the working of the law as it related to the powers of the courts in respect of juveniles brought before them. One of the recommendations in the Ingleby Report was that the NSPCC should lose its status as an Authorised Person to initiate proceedings in the juvenile

courts. In the months following the report's publication, Morton travelled the country, putting forward the society's case, and, ultimately, the government of the day decided not to proceed with the recommendation.

There was a price to pay. There had been criticism, some of it justified, of the indifferent training given to the society's inspectors, as they were then called. Arthur Morton recognised the inadequacy and was successful in initiating a specialist training department geared to the needs of the NSPCC.

In collaboration with Anne Allen, Morton wrote *This Is Your Child*, published in 1961, an outline of the history of the NSPCC, and that same year was appointed OBE.

He travelled widely throughout his time as director of the society. In the early Seventies he went several times to the United States and was very keen that the society should be in the forefront of the work needed to counter what became known as the "battered baby syndrome", the identification of which had been largely undertaken in the US by Brandt Steele and Henry Kempe, both doctors. His initiative led to the society's setting up the National Advisory Centre on the Bat-

tered Child in 1974, followed by a number of special units.

In the years that followed, Arthur Morton set out with some success to obtain from the central government a realistic level of financial support for the society, something it had lacked from its founding because, unlike other children's charities, it had never run children's homes, and therefore did not have children in care for whom a charge could be made.

When in 1979 he retired, Arthur Morton was appointed CVO. The years since then were spent quietly as the disease took its grip. To the end, however, his memory was unaffected. His lively conversation was enhanced by wide reading and a delicious sense of humour.

John Low

Arthur Morton, priest and charity worker, born Bakewell, Derbyshire 29 June 1913; ordained deacon 1933, priest 1939; Curate, St Catherine's, Newcastle 1938-41; Chaplain, Missions to Seamen, Manchester 1941-51; Assistant Director, National Society for the Prevention of Cruelty to Children 1951-79; Director 1979-79; OBE 1961; CVO 1979; married 1940 Medora Harrison (died 1995; two daughters); died Hill Head, Hampshire 25 March 1996.

Lord Airedale

Oliver James Vandeleur Kitson, fourth Baron Airedale, was educated at Eton and Trinity College, Cambridge, and lived, when he was not in the House of Lords, in Ufford Hall, a large if somewhat dilapidated mansion near Stamford in Lincolnshire. This conjures up the popular picture of an hereditary peer. Nothing could be more misleading.

His appearance, to borrow a journalist's phrase in describing one of Airedale's fellow peers, "showed an almost ostentatious disregard for fashion" or even for the normal conventions of tidiness. His favourite drink was elderflower champagne, which he brewed himself. He showed no sign of personal ambition or of any desire to advance his own interests. He was a natural and loyal member of the Liberal Party and later of the Liberal Democrat Party, but was always content to be an utterly reliable supporter, without seeking any frontbench position.

The House of Lords was the

ideal forum for Airedale's own approach to politics. An ardent supporter of individual human rights, he identified causes to which he attached great importance, and fought for them gently but relentlessly – consumer protection, animal welfare and, above all, the maintenance of the policies and procedures which he recognised as essential to the underpinning of democratic government. In his own quiet, unassuming but very determined way he was an able and devoted politician. The House recognised this and he became Deputy Chairman of Committees in the Lords in 1961 and Deputy Speaker in 1967.

He was also a long-standing member of the Joint Committee on Statutory Instruments. This body, perhaps not widely known away from Westminster, is an invaluable watchdog ensuring that governments do not, either deliberately or inadvertently, slip through legislative changes in regulations

which have not been subject to proper parliamentary control. Membership involves a great deal of hard, detailed, unglamorous work, the sort of work for which Airedale was peculiarly well suited and which he obviously enjoyed. He had a close knowledge of the way a democratic parliament is supposed to work and was a stickler for the most rigorous application of the



Airedale: quiet persistence Photograph: Monitor

rules. Over and over again, when some procedural matter was being argued in the Chamber of the House, Airedale would rise quietly from his backbench seat and provide the precise and exact answer to the question under discussion.

He was also a stickler for the correct use of the English language. He understood how slovenliness in language could lead to dangerously muddled thinking. One of his determined but unsuccessful campaigns was to change the words used by the Home Secretary when wiping out a conviction for "free pardon" to "grant of exoneration": no one would wish to be "pardoned" for a crime never committed.

Lord Airedale was a very private person. He was good-natured, good-humoured and friendly, always willing to chat at meal times, or in the appropriate parts of the library. But he also appeared to be happy in his own company. A bachelor, living alone, he was no

recluse. An agreeable companion in the House, he seemed to enjoy, but not particularly to need the company of other people. He could talk interestingly on a range of subjects, but was obsessed by none; or if he was, he kept it to himself. Quiet persistence for the causes in which he believed was perhaps his distinguishing characteristic.

At this time of year we would be waiting, and this year will wait in vain, for him to ask when the Government would implement the Easter Act of 1928 fixing the date of Easter. Easter "wandering all over the calendar", as he put it, seemed illogical and untidy. In such matters he did care about tidiness.

Nancy Seear

Oliver James Vandeleur Kitson, politician, born 22 April 1915; called to the Bar, Inner Temple 1941; succeeded 1958 as fourth Baron Airedale; Deputy Chairman of Committees, House of Lords 1961-96; Deputy Speaker 1962-96; died 19 March 1996.

Wes Farrell

At a time when the charts are dominated by Beatles re-releases, Beatles sound-alikes, disco acts and prefabricated teen stars like Take That, the death of Wes Farrell, the American songwriter and music entrepreneur, helps us put these trends into perspective.

Farrell was part of the legendary Brill Building school of songwriting, and while working there, he co-wrote the song "Boys" with Luther Dixon. In 1961, it was recorded by the Shirelles and appeared on the B-side of their world-wide hit "Will You Love Me Tomorrow". "Boys" quickly became a staple of the Beatles' repertoire, giving Ringo Starr a rare opportunity to shine vocally. The Fab

Four's infectious early sound was heavily influenced by American girl groups of the time (they also adapted the Shirelles' "Baby It's You" and "Boys" was duly included on their first album, *Please Please Me*, and also features on the recent *Anthology 1*).

"Boys" is only the tip of the iceberg of pop classics with which Farrell was involved over the years. In the early Sixties, he co-wrote "Come a Little Bit Closer" for Jay & The Americans, "Goodbye Baby (Baby Goodbye)" for Solomon Burke, and "My Girl Sloop" (an R&B hit for the Vibrations). In 1965, the McCays, featuring a very young Rick Derringer, had an American No 1 (and British No

5) with a reworking of this song entitled "Hang On Sloop". It has been recorded by over 150 artists since.

Farrell had obvious business acumen and quickly realised that the real money was in publishing. In the mid-Sixties, he set up his own company, the Wes Farrell Organisation, and signed upcoming writers such as Chip Taylor ("Wild Thing"), Neil Diamond ("I'm a Believer") and Tommy Boyce and Bobby Hart ("Last Train to Clarksville").

Having witnessed the Monkees' success at close quarters, Farrell soon began promoting other bubblegum acts like Every Mother's Son, Brooklyn Bridge and the wholesome family

groups the Cowsills and, more famously, the Partridge Family. The fictionalised and televised Partridges featured Shirley Jones and her real-life stepson David Cassidy, who became a teenage idol in the United States and in Britain with sugary hits such as "I Think I Love You", "How Can I Be Sure" and "Could It Be Forever". This blueprint for success has since been handed down to scheming managers of potential teen idols the world over. Farrell himself having had a decent second stab at the television-pop crossover with the Australian Rick Springfield.

Over the years, the Wes Farrell Organisation grew into a massive operation, with affiliates around the world, a jingles company and labels like Chelsea Records.

Always a music enthusiast, Farrell tried his hand at producing and was also involved in film scoring. In 1992, he showed he had lost none of his original drive and set up Music Entertainment Group Incorporated, quickly acquiring the Benson Music Group, a Nashville-based company with one of the largest Christian catalogues in the world.

Pierre Ferrone

Wes Farrell, songwriter and publisher, born New York 1940; twice married (one son, two daughters); died Fisher Island, Florida 29 February 1996.

Births, Marriages & Deaths

DEATHS

ALEXANDER: Isabel Mary, on 27 March 1996, aged 85. Painter, naturalist, mother and grandmother. Memorial at the National Art School, Queen's Road, Uffley, at 3pm on Tuesday 9 April. Donations, if desired, to Marie Curie Cancer Care, Audley Lane, Queen's Drive, Uffley LS29 4QR.

MAUGHFLING: Daphne Phyllis, a much-loved wife, mother, grandmother and friend, died peacefully at Cheltenham on Tuesday 2 April. Funeral service for immediate family only, a memorial service will be held at a date to be arranged. Donations in lieu of flowers for Save the Children Fund may be sent to Beechwood Funeral Services, 66 Albion Street, Cheltenham GL52 2RW (01242 228208), to whom enquiries can also be made.

PTESBROOKS: Rosalind Anne (Rosa) Ptesbrooks, 61, of Salisbury, died 2 April 1996, after a long illness, aged 41 years. Adored and adoring mother of Jack and Tommy. Beloved wife of John, daughter of Bill and Norma, sister of John and Clare. Family funeral at Salisbury Crematorium, 11.40am, on Wednesday 10 April 1996. Service of Thanksgiving at Salisbury Cathedral at a later date. Family flowers only but donations if desired to Salisbury Hospice Care Trust, c/o J.N. Newman Ltd, Funeral Director, Griffin House, 55 Winchester Street, Salisbury, Wiltshire SP1 1HL.

Announcements for Ganette EIKTHS, MARRIAGES & DEATHS should be sent in writing to the Gazette Editor, The Independent, 1 Canada Square, Canary Wharf, London E14 5DL, telephoned to 0171-293 2011 or faxed to 0171-293 2010, and are charged at £6.50 a line (VAT extra).

Birthdays

Mr Jonathan Agnew, cricketer, 36; Mr Peter Attenborough, former Headmaster of Charterhouse, 58; Sir John Beith, former diplomat, 82; Mr Den Dover MP, 58; Mr Paul Downton, cricketer, 39; Mrs Margaret Dupont, former tennis champion, 78; Dr Christopher Fay, chairman and chief executive, Shell UK, 51; Brigadier Anne Field, former Deputy Controller, Commander, WRAC, 70; Mr John Fleming, general director, Marketing and Product Planning, Cadillac Cars, General Motors, 61; Mr Trevor Griffiths, playwright, 61; Mr Jeremy Hands, journalist, 45; Mr Dave Hill, rock guitarist, 44; Lord Incheyra, former Director General, British Bankers Association, 61; Earl Jellicoe, President, British Heart Foundation, 78; Mr Gregory Knight MP, Treasurer of HM Household, 47; Colonel Sir Bryce Knox, vice-chairman, Lindus-Lud, 80; Miss Frances Langford, singer and actress, 83; Mr Nick McCarthy, Ambassador to Gabon, 58; Professor David McVillie, Vice-Chancellor, Middlesex University, 53; Mr Barry Reamsbottom, general secretary, Civil and Public Services Association, 47; Mr Ian Robertson, Director, National Army Museum, 53; Mr Dave Sexton, football manager, 66; Dame Catherine Tizard, former Governor-General of New Zealand, 65.

Queen's Counsel

The following have been appointed Queen's Counsel:

Roger John Ellis, Michael Barn Tiliot, Sonia Woodley, Arthur William Stevenson, Richard Maryon Price, Stephen Oliver-Jones, Alan Howard Jefferys, Peter Eric Kyte, John Joseph Collier, Howard Leonard Benjamin, Alistair Richard Maloney, Patrick Charles Upwork, Peter Christopher Roscoe, Nicholas Mark Jones, Charles Nathan Salmons, Robert Lewis Kay, Richard Henry Jones, Lord James Meade, David Paul Fisher, Jeffrey Vincent Pogden, Ian Douglas Glen, Andrew Hugh Munday, Edward Peter Lawrence Paulus, Bernard Richard Weatherill, Ian Hamilton-Brown, Hugh Beaumont-Hewson-Smyth, Graham Eric Morrow, Paul Richard Griffiths, Stephen Howard Bellamy, Patrick Gerard McCallister, Stephen Paul Stewart, Alan Toby

Hedworth, Richard Dudley Lyngard, Andrew James Robertson, Michael Harrison, Ken; Roger John McCarthy, Simon Robert Crookenden, David William Elston, David John Morgan, Anthony Benjamin James Brown, Martin John Foster, Robert Faint Owen, Timothy Victor Holroyde, Richard Gary Burrell, William Greville Sale Masey, Jonathan James Aston Dawley, Timothy Derrick Brack, Timothy Nicholas Young, Richard Spear, Rose Marie Russell Thompson Howe, John Constant Shannons, McBurney Bishop, David Stephen Braddon, Janet Mary Turner, Christopher Howard Payne, David Rallor, John Peter Rowland, Richard Michael Sheldrake, Philip Vincent Boulding, Alexander Michael Smeaton, Keith John Lindblom, All Michael, Clare Patricia Montgomery, Mark Steven Howarth, Kevin John, Francis.

Anniversaries

Births: Graining Gibbons, sculptor and woodcarver, 1648; Pierre-Paul Prud'hon, painter, 1758; Sir Charles William (Karl Wilhelm) Siemens, metallurgist and inventor, 1823; Maurice de Vlaminck, painter, 1876; Maudie Waters (McKinley Morganfield), rhythm and blues singer, 1915; Anthony Perkins, actor, 1932. Deaths: Oliver Goldsmith, playwright, 1774; Sir William Crookes, physicist and chemist, 1919; André Michélin, tyre manufacturer, 1931; Martin Luther King, clergyman and civil rights leader, assassinated 1968; Gloria Swanson (Gloria Josephine Mac Swanson), actress, 1983. On this day: Francis Drake completed his circumnavigation of the world and was knighted by Queen Elizabeth I. 1581; gold was discovered in the Yukon, 1896; a Chinese republic was proclaimed in Tibet, 1912; the In-

ternational Civil Aviation Organisation was established, 1947; the North Atlantic Treaty (Nato) was signed in Washington, 1949. Today is Maundy Thursday and the Feast Day of Saints Agathos and Theodorus, St Benedict the Black, St Isidore of Seville, St Pato and St Hymeneus; and is the first day of Passover.

Luncheons

Manchester Consular Association. The annual spring luncheon of the Manchester Consular Association was held yesterday at Manchester Town Hall. Mr Ernest Keller, President, Mr David J. Fox, Secretary, and Mr Brian Carroll, Treasurer, received the guests.

Dinners

Makers of Playing Cards Company. Mr R.A. Howells, Master, Makers of Playing Cards Company, presided at a Lively Dinner held yesterday evening at Quilley's Hall, London. ECLE, Judge Neil Denison QC and Mr Willie Rushton were the guests of honour. Mr M.H. Goodall and Mr J.G.B. Watson also spoke.

Lectures

National Gallery, Susan Foster, Man Griffith and Alexander Smeaton, "Reclining the Passion", 1pm. British Museum: Hilary Williams, "Angela Kauffmann and Goethe: the Italian journey", 1.15pm.

ROYAL ENGAGEMENTS

The Household Cavalry Mounted Regiment made the Queen's Life Guard at Horse Guards, 10.30am. The Queen distributed the Royal Maundy during the Service.

Love revealed in a bowl of dirty water

Our earliest eye-witness account of the celebration of Holy Week comes from the pen of a pilgrim called Egeria. She had travelled to the Holy Land from distant Spain. The report she sent home evokes her powerful sense of being in the "holy places". The community is re-enacting the last days of Christ's life there, where they actually happened:

When everyone arrives at Gethsemane, they have an appropriate prayer, a hymn, and then a reading from the Gospel about the Lord's arrest. By the time it has been read, everyone is groaning and lamenting and weeping so loudly that people even across in the city can probably hear it all.

We cannot all celebrate Holy Week in Jerusalem. However, the unfolding drama of the Easter liturgy allows us to share in a vivid act of communal remembering. The procession on Palm Sunday, the institution of the Eucharist on Maundy Thursday, the veneration of the Cross on Good Friday – traditional ceremonies such as these invite us to reflect on the original events by becoming ourselves a part of the narrative.

For many centuries, Maundy Thursday has been celebrated also by re-enacting the scene where Christ washes his disciples' feet. Traditionally the rite has been accompanied by the antiphon *Ubi caritas*: "Where charity and love are found, there is God." The English word "Maundy" recalls St John's interpretation of this action as an expression of love. It comes from the Latin *mandatum*, meaning "commandment", and refers to Jesus' words: "I give you a new commandment: love one another as I have loved you."

Familiarity can breed inattentiveness. Too easily we take it for granted that the

Arguments for Easter

Dr Margaret Atkins, of Trinity and All Saints' College, Leeds, continues our meditations on the significance of Holy Week by examining the foot-washing ceremony traditional today.

central message of Christianity is love. It is difficult to feel afresh the shock of St John's story. (Peter felt this, of course, and expressed it with his usual hasty bluntness: "You shall never wash my feet!") St John's narrative begins with a sentence startling in its incongruity: Knowing that the Father had given all things into his hands, and that he had come from God and was going to God, he got up from the table, took off his outer robe, and tied a towel around himself (John xiii, 2-3).

The incongruity is heightened by St John's own portrait of Jesus. Of the four Gospels, it is his that consistently dwells on the glory of the Son of God made man. The Gospel is punctuated by the majestic phrases with which Christ identifies himself: "I am the Bread of Life"; "I am the True Vine"; "I am the Way, the Truth and the Life". Yet here, and only here, does the Son of God pick up a towel and dirty his hands in the menial task of washing feet.

St John does not tell a story for the sake of it. When he relates a miracle, he calls it a sign; and he selects his signs for their

symbolic importance. Matthew, Mark and Luke describe the institution of the Eucharist at the Last Supper straightforwardly. John refers to it obliquely in his discourse on the bread of life, which follows the feeding of the five thousand. The "miraculous" is narrated because of what it tells us about the identity of Christ.

The same is true of the washing of feet. At one level we are offered an example to imitate: "If I, then, the Lord and the Master, have washed your feet, you also ought to wash one another's feet." But this is not just a moral tale. It needs to be connected with Christ's mission as a whole. St John's narrative is interwoven here with reminders of Jesus' immediate destiny: Judas' betrayal, Peter's denial, the "hour" that had come for Jesus to depart. The next act in the drama will be that arrest over which Egeria's congregation will one day weep. For Christ's life as a whole has "the form of a servant... obedient unto death" (Philippians ii, 7-8). That is the shape that his glory takes.

God chose to reveal Himself through a human life. Therefore the love that is at the heart of God becomes a story. Within the life of God, unconditional self-giving is inseparably united to glory. When they are projected on to the screen of human life, they form a narrative: the self-emptying of the Incarnation; the self-surrender of the Passion; and then the final triumph of the Resurrection.

The Easter liturgy as it slowly unfolds allows us to retell the drama in contemplation. As we relive each year the details of Christ's life, we are offered a space to attend to their significance; to ponder the theological truths concealed in a bowl of dirty water.



'Ay ay ay': Lola 'la Grande', queen of ranchera, a Mexican equivalent of country-and-western

Lola Beltran

Lola "la Grande" departed as befits the queen of *ranchera*, lying in state at the Palacio de Bellas Artes in Mexico City, an august institution where 20 years earlier she had been the first popular singer to perform.

Her coffin was borne there amid mariachi bands, a mêlée of photographers, politicians, and the cream of Mexican show business, crying and signing autographs as they went. Aproned women tortilla sellers wailed "Viva Lola! She's gone!" and sang lines from her songs: Lola Beltran had plied their trade as a girl and it was generally believed that the great care she took of her famously slender expressive hands, which were insured for an extravagant sum, was a result of her awareness of the physical work they had been spared.

Ranchera song, a sort of Mexican equivalent to country-and-western, grew from a regional folk style at the beginning of this century, to become a national symbol by the 1950s. It is the music of the mariachi bands, with their sombreros and ornate *charro* costumes, of melodramatic songs of love, betrayal and tequila, and of the characteristic drawn-out "ay ay ay" of despair at life and the opposite sex. Like Spanish flamenco, it later became stereotyped to the point of kitsch and has captured a new audience in the last few years through new semi-satirical

interpreters, as well as its great old practitioners. The most prominent of the former, Astrid Hadad, whose act simultaneously pays homage to the *ranchera* tradition and parodies it, saluted Beltran, among the pages of press testimonials, for her magnificent voice, her powerful personality and her huge presence.

Beltran's predecessor as queen of *ranchera*, the Billie Holiday-esque Lucha Reyes, who died of a barbiturate overdose in 1944, made a great impression upon Beltran's singing style, and also on her life style. Beltran's life however was stable and untragic, partly, it was said, because she had been so shocked by a biopic of the Reyes story that she had resolved always to keep her own private life uneventful. She was married to a bullfighter, Alfredo Leal, and had one daughter, Marielena, who also became a singer.

Beltran was born Maria Lucia Beltran Alcala in a small town on the Gulf of California in northern Mexico, probably in 1931, though in later life she was evasive about her age. She began singing as a child and moved with her mother to the capital, Mexico City, in her teens, where she worked as a secretary in the radio station XEW, before being "discovered" in one of the station's weekly broadcast talent com-

petitions. She was immediately successful, and embarked on a 40-year career which resulted in at least 60 films and 70 records.

Although she revelled to the full in the melodrama of *ranchera*, and raised it to hitherto unseen heights of glitz in her big mariachi-crammed stage shows, her work was not simply formulaic. Her theme song, "Cucurucucu Paloma", written by the great *ranchera* composer Tomas Mendez, was a notable departure from the norms of *ranchera* machismo, whereby women are traditionally the ones to bewail the men who leave them, in that the subject of the song, whose sobbing for his faithless lover resounds even after death, is a man.

Shortly before her death, Lola Beltran completed work on an album of songs by the top pop *ranchera* composer Juan Gabriel, with two other star singers, which was tipped to be the "disc of the century". As the writer Carlos Monsivais said of her, "*Ranchera* song is one of the last bastions of [Mexican] nationalism, and the culminating figure of *ranchera* song is Lola Beltran."

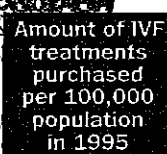
Phillip Sweeney

Maria Lucia Beltran Alcala (Lola Beltran), singer, born c 1931; married Alfredo Leal (one daughter); died Mexico City 24 March 1996.

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This woman narrowly escaped jail after stealing £20,000 to fund her infertility treatment. Now she's expecting triplets. How long will it be before IVF is so cheap that it could be freely available on the NHS? **Glenda Cooper** reports

feel they have to steal to have a child.



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A referendum for democracy

It is difficult to feel any gratitude towards the Government for promising to offer us a chance to vote in a referendum on whether Britain should enter a single currency. Its decision yesterday was all to do with the fragile unity of the Conservative Party rather than calculating the best interests of the country. The equilibrium of the Conservative Party is not a national priority: what is good for it is not necessarily what is good for Britain. The stakes in recent days have had little to do with Britain's place in Europe, everything to do with John Major's tactics for survival.

And now, as ministers issue their formula for a manifesto pledge that would deliver a referendum but maintain collective Cabinet responsibility, they imply that it is time for a dose of political Temazepam to send us all back to sleep.

That is quite wrong. For what Britain needs perhaps more than anything is a national debate, ferocious but informed and thoughtful about the future of Europe and its place within it. The point of holding a referendum is to provoke just such a debate, not to stifle it. The argument to come has two parts: the first about Britain in Europe and the second about modernising our democracy.

Monetary union does not pose simple questions that are easy to answer. There is no point in pretending most people will find arguments about fixed exchange rates at all interesting, let alone easy to understand. Yet the more the operation of a single currency is discussed, analysed, extrapolated, the better we will be able to understand what is to come. It should also unsettle the cosy complacency of the Labour Party, which sooner or later will have to face its own ambiguities and divisions over Europe.

Economic and Monetary Union will have far-reaching consequences. Coun-

tries will not be able to respond to a reduction in their competitiveness and a fall in exports by devaluing their currencies. That means unemployment will grow in the less competitive regions. They will demand transfers of funds from the central EU budget to compensate. That must mean not only that European monetary policy will be in the hands of the European Central Bank but that poorer regions especially are ever more dependent on money delivered from the EU's structural funds. In other words a commitment to take part in a single currency must mean an irrevocable commitment to embrace the politics and institutions of Europe. That is why we must engage in debate about the future of the Commission, the Council of Ministers and the Parliament and the roles that they will play. The lesson of the troubled passage of the Maastricht treaty was that the European debate needed to move out to the people.

That is why a referendum is vital to open up a debate. We owe a debt to the Conservatives, the erstwhile party of untrammelled parliamentary sovereignty. Their agitation has legitimised non-parliamentary judgements. They may try to dress a referendum package up as a validation of a House of Commons decision. But the cat is out of the bag.

Referendums ought to be one of the decision-making mechanisms of an advanced country such as ours – rare perhaps, but one way of giving people a better grip on their collective fate. People would bring to a Euro-referendum their ignorance of finance, their prejudices, all kinds of emotional baggage to do with Britain's past. But they will also bring aspiration and enlightenment and their hopes for Britain's further modernisation and change within the community of Europe.

Justice in Bosnia

It is time the international peace implementation force in Bosnia, I-FOR, started taking more seriously the role it could play in helping to uncover war crimes and bring the perpetrators to account. War crimes trials are often unsatisfactory. For many victims of war and relatives of those who died in atrocities the trials provide neither justice nor retribution. The priority in Bosnia must be to maintain the peace. Yet the Dayton accords, which have brought a fragile peace to Bosnia, make it clear the parties must co-operate with the International War Crimes Tribunal. I-FOR must play its part in easing the work of the tribunal and ensuring it gets the co-operation it needs.

Evidence of war crimes committed on a horrific scale is emerging all the time. A mass grave north of Mrkonjic Grad, believed to hold more than 200 bodies, is being excavated by investigators at the moment. Other sites, in eastern Bosnia, may have been interfered with.

It is easy to criticise the Nato-led implementation force for not doing enough to protect the sites and to bring the culprits to justice. The military commanders have said all along that that is not their main job. In an imperfect world, they are probably right. When peace negotiations were under way last year, peace was the overriding priority. The investigation of war crimes took second place – in case it discouraged the parties from signing.

Once peace was agreed, I-FOR took time to move into position, and when it did its first responsibility was to keep the former warring factions apart. Then there were large areas of land to transfer. I-FOR was – and still is – stretched to fulfil its main task, and will remain so until all the heavy weapons are destroyed or placed in stor-

age. That is due to happen by 18 April. In those circumstances, I-FOR was right to be wary of being sucked into guarding and digging up suspected war crimes sites, or chasing after indicted war criminals. But now peace is taking hold, I-FOR can do more.

Photographs of wanted war criminals have been circulated to I-FOR roadblocks, and any wanted war criminal who is unwise enough to encounter one risks being detained. I-FOR is obliged to assist the tribunal in cases involving indicted war crimes suspects, as in the case of two Bosnian-Serb officers arrested by Bosnian government authorities in February and flown to the Hague on a Nato aircraft.

Most importantly, I-FOR must realise that the credibility of the international community is again on the line. It failed to prevent the civil war, and the massacre of the people of Srebrenica even with UN troops on the scene. The rest of the world cannot drag its heels over the war crimes investigations, because if it does, it will open the way quite clearly for war crimes to be committed in other wars without fear of retribution.

And it should not limit itself to small fry who stumble into I-FOR checkpoints. The first priority was peace. Now it must be to get the ring leaders, whose whereabouts cannot be difficult to divine. Last Sunday, Dr Karadzic appeared at a public ceremony in Pale, handing out medals. As long as he remains at liberty, he makes a mockery of the rest of the world. Now that Karadzic and Mladic are increasingly isolated, it is time to remove them from political life, which would also help to cement peace. Peace and justice are no longer in the way they way they once might have been. I-FOR should act.



They've stolen my idea!!

LETTERS TO THE EDITOR

Free market in labour divides society without creating the jobs we need

Sir: According to your leading article (2 April) "The Anglo-Saxon model of deregulated labour markets has a much better record for creating jobs than Germany or France". Not so: in the 20 years leading up to the Maastricht treaty, France created proportionately twice as many jobs as the UK, while Germany created almost four times as many. Moreover, an increasing proportion of the jobs created in Britain were poorly paid and insecure, often part-time.

Labour market deregulation, an attempt to compete through "social devaluation", has not helped us to create jobs, to improve our competitive position or to provide sustainable prosperity. But it has had a heavy cost: by 1992, the UK accounted for a quarter of the poor throughout the EU. Another result was the intense insecurity that casts a shadow over the future for so many of our citizens.

As in the US, this insecurity not only creates social tensions. It also inhibits flexibility and economic progress, discouraging people from taking risks. That is why a minimum wage and other employment rights now denied to British citizens could help us compete more effectively in the modern world.

CHRIS POND
Director, Low Pay Unit
London EC1

Sir: Your leader (2 April) rightly says tricky issues like higher education funding are on the back

burner but wrongly says regulated employment on the German model won't work in the UK.

There is a connection. Our most successful companies invest heavily in training. They also negotiate with their unions. It is precisely the sweatshop anti-union companies which won't pay for their own training.

You argue that our open, decentralised economy could not cope with talking to unions. On the contrary, our most successful companies are those (like ICI and BT) which are themselves open and decentralised but also plan ahead with their unions. They know that any training means talking and planning.

Unless, as a nation, we face up to the proper funding of HE, we will never deliver a real system of lifetime learning. Germany knows this well. After all, it was the TUC which taught them the economic value of collective bargaining after the war. Our own politicians should remember that lesson.

TOM WILSON
Assistant General Secretary
Association of University Teachers
London W11

Sir: Labour market deregulation and trade and investment liberalisation should not be considered a magic solution to unemployment (Business, 2 April).

G7 countries may well have something to learn from countries such as Chile, where this approach has been tried

for more than a decade.

Chile's "flexible" labour market has failed to deliver growth with equity, or to promote greater social integration. Unemployment has finally fallen in recent years, but job creation has largely taken place in low-paid, low-quality jobs, creating a new class of working poor. Official unemployment figures fail to include a large number of women who work irregularly through the year.

Flexible working practices have spread, allowing companies to bypass government legislation, eroding collective bargaining rights and undermining the traditional obligations of employers to workers. As a result, despite rapid growth and a recent reduction in poverty, 43 per cent of salaried workers earn less than the minimum required to cover their basic needs, according to recent research commissioned by Oxfam. This has contributed to the growing number of women and children entering the workforce.

As well as contributing to social disintegration and tensions, this strategy is economically inefficient. The pursuit of a cheap and flexible labour market is strangling moves to a higher value added export strategy based on technological innovation or improved product quality, which is necessary if Chile is to sustain its export expansion in the longer term.

RUTH MAYNE
Policy Adviser
Oxfam UK and Ireland
Oxford

Privatised railway will price itself off the market

Sir: As privatisation of British Rail lurches from one horror story to the next, I was pleased to read your leading article of 20 March. Two elements will lead to the demise of our railway system: the creation of Railtrack and the hiving off into over twenty different companies, all competing with each other.

One has to only look across the Channel to France, Germany, Holland, Switzerland, and even

Italy, to see models to copy, with a proven record of efficiency and modernisation. To have a system where companies have to pay to run their trains on a separately owned railway will fail because of escalating costs. This is already apparent, when one learns that it is now cheaper to transport locomotives and rolling stock for repair by road with all the attendant disruption this involves to road users. Any analogy with airlines, where

the air is free, is ludicrous.

Freight should be put back on rail, as it has been with great success in New Zealand, as an essential environmental necessity. But I fear, unless the opposition parties put their money where their mouths are when they hopefully achieve power in a year's time, that our once proud railway system will price itself out of existence.

ROBIN BUTTERELL
Chester

Real poverty or just mild distress?

Sir: I am bemused by your article on George Solly and his family ("The trap" Magazine, 23 March). The family's monthly income of £2,151, later boosted by £1,200 per month from Mr Solly's new job, in no way fits any accepted definition of poverty.

This is a man whose business failed but who does not seem to recognise that this demands an adjustment to his life-style. What does he expect to happen? Perhaps a monthly grant from the Benevolent Society for Very Mildly Distressed Entrepreneurs?

Nobody is suggesting that he reneges on the HP contract on his large, expensive car. He simply sells it and settles the debt. The question of what to do with his large mortgage and school fees is so obvious that no more needs to be said.

My job occasionally brings me in contact with real poverty, which is families the same size as the Sollys existing on an income of less than £5,000 a year. Mr Solly should be grateful for what he has and perhaps look around him to see what need really is.

MARK CONWAY
Glasgow

Save water by the meter

Sir: Following the Environment Secretary's call for a national water grid, you were absolutely right (leading article, 1 April) to ask for a carefully thought-out strategy on water. Having a national grid does not necessarily mean an affordable, safe supply. We should instead look to maintaining local networks and more water conservation.

Last week at a meeting of the Institute of Chemical Engineers on the technical and social issues of water recycling, speakers described local solutions to the water shortage problem. These included recycling so-called "grey water" from baths for toilet flushing and collection of rainwater for household use. All very laudable but a speaker from Germany was amazed at the lack of metering and how cheap water was in the UK. Thus there is little incentive even to try water conservation and recycling on a limited basis.

The Government has a scheme for paying a premium price to producers of electricity from non-fossil fuel sources. If we do not want to put up the price of water, surely the first step to a sensible, sustainable policy is to encourage conservation and recycling by having a similar scheme for water.

Professor TOM STEPHENSON
School of Water Sciences
Cranfield University
Cranfield, Bedfordshire

Sir: If the Environment Secretary were seriously attempting to

re-sell privatisation to the public, then instead of wasting time toying with the notion of introducing some form of competition (which is obviously unattainable in a system which depends upon single supply pipes to each household) perhaps he should instead address a far more easily remedied source of irritation which appears to apply uniquely to water supply.

Whereas my gas (metered) and electricity (metered) bills show me how much of the product I have used, and are presented after consumption; and whereas I normally pay for every other consumable after delivery or use, the water bill which I have just paid appears to be for water and sewerage services to be rendered in the course of the next six months. The water companies are therefore demanding, and receiving on a permanent basis, an interest-free six-months loan from every one of their captive customers.

Presumably the introduction of metering would deprive the water companies of the last vestige of an excuse for this practice, and with it the benefit of this otherwise quite unjustifiable source of free capital. No wonder they refuse to take metering seriously – even though, in time of drought, they find themselves bereft of the essential lever with which to motivate their customers in the direction of economy.

J D HUMPHREYS
Bath

Fighting for child support

Sir: Peter Lilley's proposals to impose a 40 per cent cut on the benefits of lone parents who refuse to co-operate with the Child Support Agency will cause untold hardship to the poorest children in the country (report, 1 April).

All the lone mothers in our study of the Child Support Act published this week supported the principle that fathers had a continuing obligation to support their children. Many of the mothers we interviewed had worked hard to establish arrangements for maintenance and contact with children with former partners, which all were happy with; these parents were extremely distressed at being forced by the Child Support Act to renegotiate these arrangements.

We also found lone mothers who were reluctant to co-operate with the Child Support Agency because of fears of violence from a former partner; some of these lone mothers had not been properly informed by the agency of their rights to withhold consent to a maintenance claim. We found lone mothers who had been placed

under considerable pressure by the agency to complete a maintenance application form but who, two years later, were still waiting for an acknowledgment, let alone maintenance from a former partner.

Above all, we found lone mothers who were disillusioned that their children would receive none of the maintenance paid on their behalf. So long as families on Income Support have all maintenance deducted pound for pound from their benefit (and families on Family Credit are allowed only to keep £15 maintenance), then neither mothers nor fathers have any incentive to co-operate with the Child Support Agency.

Allowing lone parent families on Income Support to keep some maintenance might encourage a greater willingness to co-operate with the agency, as well as providing some real gains for the children concerned.

KAREN CLARKE
CAROLINE GLENDINNING
School of Social Policy
University of Manchester
GARY CRAIG
University of Humber

Racist pretext

Sir: Now again, we have Dr Kalim Siddiqui calling for the murder of an innocent British citizen – for legally exercising his British freedom of speech ("Rushdie death threat renewed", 30 March).

Has it never occurred to Dr Siddiqui that his own determination to exercise freedom of speech, coupled with his desire to destroy others' rights to such freedom, may well be a prime cause of anti-Islamic sentiment in Britain? All he has managed to do is to give racist thugs one of the best "excuses" they have yet had for terrorising innocent and decent Muslims?

LEN CLARKE
Uxbridge, Middlesex

Norwegian noise

Sir: Neil McGowan (letter, 1 April) hopes for the elimination of the babbling commentator at sporting events while retaining background noise. I have experienced that joy. Touring Norway in 1990 I watched many matches of the World Cup, and Norwegian TV provided exactly what Mr McGowan, and I, yearn for – even 15 minutes of visual enjoyment and aural bliss during half-time.

J W SANDFORD
Sturminster Newton, Dorset

Post letters to Letters to the Editor, and include a daytime telephone number. (Fax: 0171-293 2856; e-mail: letters@independent.co.uk) Letters may be edited for length and clarity.

From loony left to loony righteousness

Under the scathing title "If there is no God, what is the Oxford atheist scared of?" Paul Johnson issued (in the *Spectator* on 16 March) a rousing challenge to Richard Dawkins to debate the existence of God in public with him. But no, says Johnson, the man is scared. Why else "his craven refusal to come out of his safe academic burrow and debate with me ... the existence or non-existence of God"? Johnson thinks Dawkins doesn't know whether he can do it. "He is unsure of his arguments, his cause and his skills. He is scared he would make a fool of himself in front of the world ..."

Now, Paul Johnson has never been afraid to make a fool of himself. If, that is, Paul Johnson really exists. But can we reasonably believe in the things done by and said by Paul Johnson? Is there really such a person?

Some eminently reasonable people such as Ludovic Kennedy seem to have their own doubts. In a recent review of Paul Johnson's new book, *Quest for God*, Kennedy said that on the occasions he had met Johnson he had found him good, pleasant company and simply couldn't reconcile



MILES KINGSTON

the affable bloke he had met with the intolerant, arrogant author of *Quest for God*. It was almost as if they were different people.

But then the man who goes under the name of Paul Johnson has often been different people in his life. There is a very good chapter in Christopher Booker's book on the Seventies detailing Johnson's Damascene conversion from flaming left-winger to mighty Thatcherite, from believing in the curative powers of socialism to an equally strong but opposite belief in the redemptive powers of capitalism. Booker writes: "I have already written in these columns of what I believe to be one of the saddest conclusions to be drawn from Johnson's spiritual tergiversations – that when a man speaks as often as he does of his own

devotion to 'reason' and of the 'fanaticism' of his opponents, one may look to his own works with confidence for a conspicuous absence of the former and an over-abundance of the latter. There is now another truth to which I fear he has borne scarifying witness. That when a man sees through the folly of one extreme and one-sided view of the world there is no greater danger and no greater likelihood than that he will rush to another, equally extreme and even more one-sided."

That was written in 1978, to describe Johnson's rush from left to right, though Booker might also be describing a rather unconvincing and illogically written character in a novel. And where is he now? Well, in the course of issuing his challenge to Richard Dawkins the man called Johnson says that his own chief object in life at the moment is not left-wing or right-wing or indeed political at all but "a burning wish to share the precious gift of belief in God with as many fellow-mortals as possible".

So, in the years since Booker described the conversion from flaming socialist to flailing capitalist, Johnson has seen another guiding

light emerge ahead of him: God. There may have been others, of course, in the 20 years since Booker wrote those words. I have occasionally seen articles under his name extolling the power of water-colour painting, and he may have gone through the other passions normal to a man of his age, such as a sudden interest in opera, but even what we know of him strikes me as unbelievable. This dashing madly about from one credo to another, this unshakeable belief in his own righteousness, this inability to see himself whole, the conviction of a weather-cock that whatever direction he is facing in is the only one to face in – well, I don't believe it.

I don't think he really exists. I don't think Richard Dawkins exists either. That's why he won't come out to debate. It's not because, as the man called Johnson says, Dawkins "skulks in his New College tent, afraid to put on his armour and venture forth".

It's because Dawkins is sitting quietly in his tent, waiting for the shouting and screaming red-haired loony outside, flogging his copies of *Quest for God*, to get tired and go away.

SPY 100 1520

Clarke, a large man in a tight spot

The Chancellor faces a tricky future after the triumph of 'Sterling Tories' in the referendum battle

From the outside, the Cabinet argument about a single currency plebiscite has seemed a little loopy. Any such referendum is far off and, under the Tories, most unlikely. For Kenneth Clarke to get so irate now about something that probably won't happen in 2001 has laid him open to the charge of belligerence beyond reason. Yet he was right to fight, and it matters to Britain that he lost.

For despite the outbreak of determined grinning all round, that's what has happened. In the end, Kenneth Clarke blinked and John Major won. As I reported here last month, the Chancellor had, emotionally as well as intellectually, been prepared to resign in order to halt the anti-Brussels ratchet. Yet the so-called concessions he has won are not important – cosmetic face-savers, not substance. They emphasise his weakness, not his strength.

Take the Prime Minister's promise that collective responsibility would be imposed on Tory ministers during a single currency referendum. Euro-sceptics don't take this seriously and they are right not to. So many Conservatives are utterly opposed to giving up the pound that imposing collective responsibility would destroy by resignation any Tory administration remotely similar to this one.

So collective responsibility means two things. First (and this is a plus for Clarke), such a referendum won't happen under today's Tory party. But second (and this matters more) it only won't happen because the Tories will not take Britain into a single currency. They cannot.

This may have been the underlying reality before but the referendum

episode has made it explicit. Tony Blair's jibe about the Chancellor's "paralysis" in the Commons on Tuesday (Clarke could neither nod assent nor shake his head when challenged) is a fair description of the Conservatives' remaining room for manoeuvre on the matter.

As the Chancellor realised long ago, this effectively means that, for the time being, the anti-single currency Tories have won. Since it requires political movement to achieve a new currency, and since the Conservatives cannot move, the pound is safe with them. (Indeed, now that the single currency has been named the euro, we can name the factions, and declare that the Sterling Tories have beaten the Euro Tories.)

This is unlikely to be a mere holding position, up for revision if the Tories win the election, as Clarke's supporters would like to think. So long as this Conservative Party remains in power, the Maastricht single currency lock-out. Major's promise to leave the issue "open" during a future putative Tory parliament looks empty unless one first hurdles two unlikely thoughts – that the Tories will win; and that they will then change radically over Europe.

Similarly, though Major has clearly told Clarke that he will concede no more to the anti-Brussels MPs, and promised that the tone of the election campaign won't be nationalistic, these are not bankable promises, either in Threadneedle Street or Frankfurt. Despite the flattery and the personal attention at which the Prime Minister is so good, Clarke has lost and knows it perfectly well.



ANDREW MARR

In the end, Kenneth Clarke blinked and John Major won

So what was he up to? Had he simply overplayed his hand? To understand the exasperatingly difficult choice facing the Chancellor we must look beyond the personality politics to strategy. For had Clarke resigned now, he would have become the unquestioned leader of Tory Euros, and perhaps stopped the Euro-sceptic tide, but at a terrible price.

Remember first that there is a great swathe of Conservative and business opinion which, when the time comes, will be keen for Britain to join. This ranges from quite a lot of the City (though the argument there is tilting against at the moment), to Tory MEPs, plus a vocal minority of the parliamentarians and, not least, the manufacturers and exporters of middle England, the Midlands engineering and services companies that are strongly represented in Clarke's actual and symbolic constituency.

Faced with the choice of a "Sterling Tory" government, utterly opposed to

joining the euro or a moderate, pro-European, new Labour one that has left the option genuinely open, some of the above would be torn in their allegiance. But if the Tory party splits, they will form a distinctive and important movement in British political life. And its obvious leader is Kenneth Harry Clarke.

His position is uncannily similar to that of Roy Jenkins in the Seventies – another ruddy-faced, rather portly pro-European Chancellor who was much tipped as a future leader but who found the party veering away from him. Jenkins, of course, eventually formed a moderate breakaway party that destroyed any hope his old party had of winning power for a decade – something triumphalist Sterling Tories would do well to remember.

If Clarke has thought about breaking out of the Treasury and launching himself on a similar odyssey, and hesitated, we can hardly blame him. For the drawback, and the dissimilarity with Jenkins, is that in resigning, Clarke might bring down the Government. Doing so would tear away Major's chance of a year of political recovery and drive the Tories into what would be, almost certainly, an electoral slaughter.

Conservatives, even Euro Conservatives, would not be happy about that. They might conclude that Clarke had had no other choice, and was right to make a stand. But then again, they might just be bloody furious. The defeated party might then come to its senses. But it seems an implausible thought. So going or staying has been about much more than Clarke's personal relations with Major. It is about the future of the Conservatives.

Labour, having muffed its chance to trump the Tories by offering a referendum first, will be encouraged to emphasise the difference between the parties on Europe. Now that the Conservatives have, in practice, abandoned any possibility of joining the euro for many years ahead, Blair can attempt to rally business and manufacturing support for a "keep your options open" manifesto. A pro-business Europeanism, like law and order, the kind of cross-over politics that the Labour leader delights in.

Certainly, this week's defeat of Clarke creates a wider gap between the parties on Europe. Getting the referendum issue out of the way will help the Conservatives to concentrate their fire on Labour's own divisions, and on Blair's alleged federalist tendencies. Bold, simple messages about surrendering the veto and selling out to Brussels make Tory Central Office rub its corporate hands with relish. And in the end, this will count more in Major's campaigner's mind than any promises he may have given over the past couple of days to Clarke.

As for the Chancellor, he has a tricky time ahead. He is on the record as being hostile to the referendum he is now signed up to, and also in favour of Britain joining the euro. Now he has to try to convince his supporters that this might yet happen under the Majorite Tory party, when it has become perfectly obvious that it won't. Ken Clarke remains a big man. But after weeks of bullishly jousting throwing his weight about, he has discovered the limits of his influence. Behind yesterday's broad and mirthless smiles, that must hurt. It must be like an intimation of political mortality.

Michael Howard details his sentencing proposals; below, David Thomas attacks the White Paper

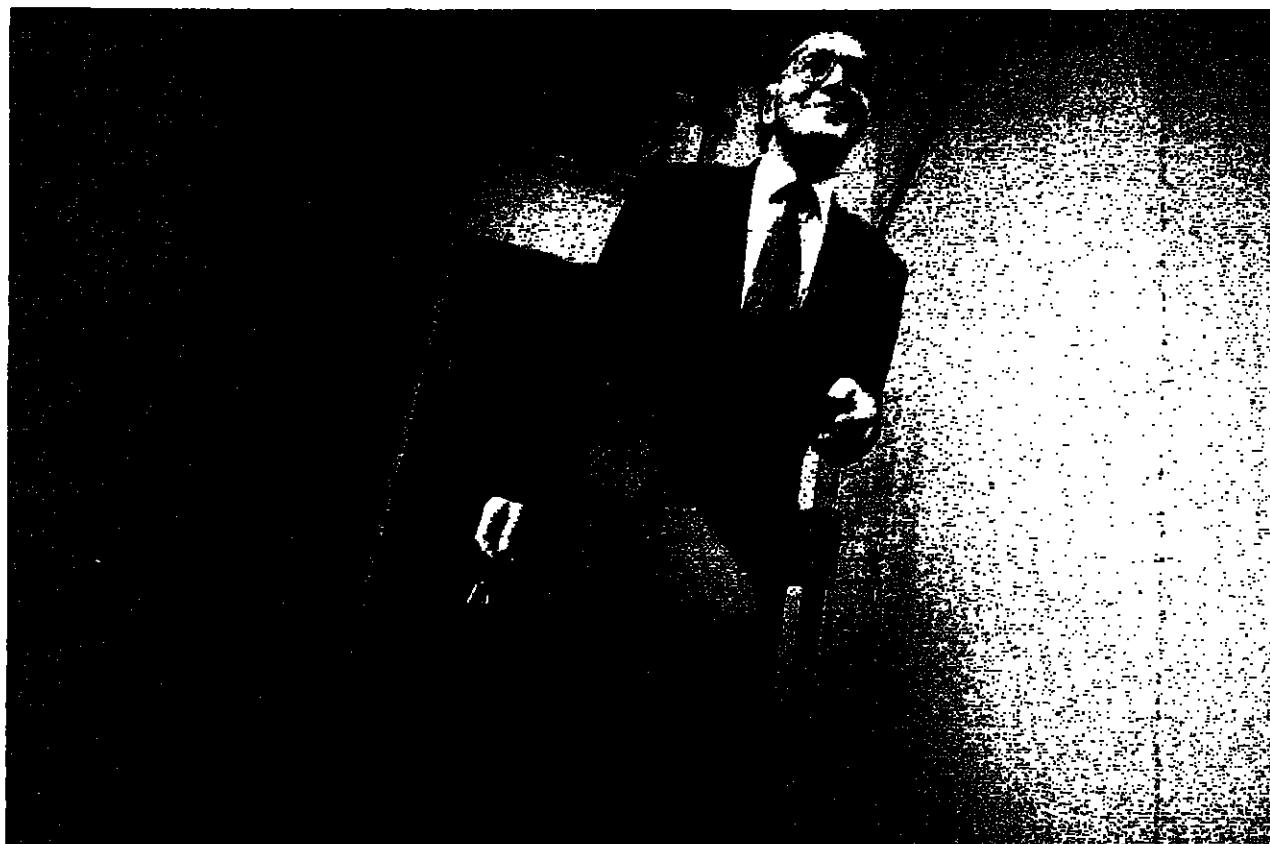
The key to our protection

Protecting the public is the first duty of any government. The public rightly expects protection from serious, dangerous or persistent criminals. It is to strengthen that protection that I have brought forward the proposals in yesterday's White Paper. There are four main elements.

First, what I call honesty in sentencing. The public and the criminal should know that the court's sentence means what it says. At present, it does not. Offenders sentenced to less than four years in prison can expect to be released after serving just half their sentence. Those sentenced to four years or more can expect to be released after serving only two-thirds of their sentence, and sometimes earlier on parole. This erodes public confidence in the criminal justice system.

I therefore propose to abolish automatic early release and parole. Prisoners who co-operate would be able to earn up to 20 per cent off their sentence, but the sentence served would more closely mirror the sentence passed. Prisoners would have a greater incentive to behave well in prison.

Second, serious violent and sexual offenders. The maximum sentence for crimes such as rape and attempted murder is life. Life imprisonment is the only sentence which ensures that an offender is not released until it is safe to release him after a risk assessment. But such criminals rarely get life – even if they offend again. In 1994, 217 offenders were convicted of a second or subsequent serious violent or sexual offence. All could have received a life sentence – but only 10 did. And unless they get life, they must be released at the end of their sentence – even if they are still dangerous. That simply cannot be right. I therefore propose that anyone aged 18 or over who is convicted of



Michael Howard: 'I accept the proposals will mean an increase in the prison population. But prison works'

David Rose

a serious violent or sexual offence for a second time should automatically get life – unless there are genuinely exceptional circumstances. They would then be released only when they no longer posed a danger to the public.

In these cases the trial judge would set the tariff – the minimum period to be served for retribution and deterrence. Once that tariff had been served, the Parole Board would decide whether or not to release the offender. Ministers would have no part to play.

Third, drug dealers. They are a menace to society. They wreck people's lives. And because addicts often resort to

crime to finance their habits they wreck the livelihoods of others. Dealers in hard drugs such as heroin, Ecstasy and cocaine often receive prison sentences. But I do not believe that these prison sentences are

only two and a half years.

So I propose that anyone aged 18 or over who is convicted on three separate occasions of dealing in Class A drugs should automatically receive a minimum sentence of seven years in prison – save in genuinely exceptional circumstances. Finally, burglary. This crime is disruptive and costly. But domestic burglary is particularly distressing for victims, who lose their treasured personal possessions and feel that the sancti-

ty of their home has been violated. I believe persistent domestic burglars deserve long prison sentences. Sometimes they get them – but in many cases they do not. A sample of domestic burglars convicted in the Crown Court in 1993 and 1994 showed that the average prison sentence for a first-time offender was 16.2 months. But after seven or more convictions it was barely higher at 19.4 months – and they actually serve just half of that. Indeed, 28 per cent of offenders with seven or more convictions for domestic burglary in the Crown Court were not sent to prison at all. And in the magistrates' courts that figure was even higher – 61 per cent.

Under my proposals, anyone aged 18 or over convicted on three separate occasions of burglary or aggravated burglary of a dwelling would automatically receive a minimum sentence of three years in prison – again, except where there were genuinely exceptional circumstances.

The White Paper sets these proposals in the context of the Government's comprehensive strategy to tackle crime. Imposing proper punishment, and, in the most serious cases, severe punishment, is an essential part of that strategy. I accept that this is likely to mean an increase in the prison population. But prison works. Research has found that imprisoning a recidivist burglar, for example, may prevent between three and 11 burglaries for every year he spends in prison. Prison also protects the public from dangerous criminals and acts as a deterrent to would-be criminals. Time in prison can be used to rehabilitate offenders.

Last week I announced that recorded crime had fallen for the last three years in succession. That has happened only twice before this century. In 1995 there were 468,000 fewer crimes committed than in 1992 – the largest ever continuous fall in the number of annually recorded crimes.

This is a credit to the hard work and dedication of the police. It shows that their targeting of known criminals and specific crimes makes a real difference to crime levels in local communities. Money for 5,000 additional police officers is being provided to help the police improve detection rates, but to back this up criminals must know that they will face stiff and certain punishment when they come to court. My proposals will achieve this and thereby give the public the protection from crime to which they are entitled.

assault children, will not, as indecent assault is not punishable with life imprisonment. Mandatory sentences for persistent burglars and drug traffickers are equally unpromising. In the case of drug traffickers they are simply redundant; courts at present work under clear judicial guidelines which result in severe sentences on first-time drug traffickers. Long sentences on persistent burglars were authorised by legislation in 1908, 1948 and 1967: each time they failed. Under Mr Howard's scheme, a third-time burglar could be sentenced to the same sentence as a first-time rapist, or longer. The result will strike most people as unjust.

The writer is Reader in Criminal Justice at Cambridge University and editor of 'Current Sentencing Practice'.

Criminals must know that they will face stiff and certain punishment

actually tough enough for those who persistently commit this very serious crime. In 1994, the average sentence for a third conviction of dealing in hard drugs was just over four years – and these offenders are automatically released after serving

prison – save in genuinely exceptional circumstances. Finally, burglary. This crime is disruptive and costly. But domestic burglary is particularly distressing for victims, who lose their treasured personal possessions and feel that the sancti-

ty of their home has been violated. I believe persistent domestic burglars deserve long prison sentences. Sometimes they get them – but in many cases they do not. A sample of domestic burglars convicted in the Crown Court in 1993 and 1994 showed that the average prison sentence for a first-time offender was 16.2 months. But after seven or more convictions it was barely higher at 19.4 months – and they actually serve just half of that. Indeed, 28 per cent of offenders with seven or more convictions for domestic burglary in the Crown Court were not sent to prison at all. And in the magistrates' courts that figure was even higher – 61 per cent.

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The writer is Reader in Criminal Justice at Cambridge University and editor of 'Current Sentencing Practice'.

Howard's way means rough justice

The White Paper's most remarkable feature is that it reverses most of the policies enshrined in the last major statute on the same subject – the Criminal Justice Act 1991. Mr Howard plans to abolish the system of early release, put in place by the 1991 Act, under which most prisoners are let out of prison after serving half of their sentence, with the rest of the sentence suspended. The power to pass extended sentences on persistent offenders, which was taken away from the courts by the same Act, will not only be restored (for burglars and drug traffickers) but made mandatory. The 1991 Act contained provisions authorising long sentences for sexual and violent offenders. Mr Howard proposes new obligatory life sentences for some of these. The White Paper also

fies the Government's acceptance that the 1991 Act – already substantially amended – has failed.

If Mr Howard's proposals become law, will they prove any more successful? It seems unlikely. Mandatory sentences of imprisonment, the centrepiece of his plan, have been virtually unknown in English law (except for murder) since 1861, but there have been many experiments with mandatory sentences in the United States. A recent review of research into their effectiveness concludes that they always fail. Faced with the prospect of a sentence that seems unjust, prosecutors abandon cases or downgrade charges to offences that do not carry mandatory penalties, witnesses are reluctant to give evidence and juries are hesitant to convict. Logically, the Government

recognised the problems inherent in mandatory sentences in their last White Paper on sentencing, published in 1990, which states unequivocally, "the Government rejects a rigid statutory framework, or a system of minimum or mandatory

sentences for certain offences. This would make it more difficult to sentence justly in exceptional cases. It could also result in more acquittals by juries, with more guilty men and women going free unjustly."

Mr Howard's proposals go some way to acknowledging these problems. Courts will not be obliged to pass a life sentence

on a second rapist or other second-time violent offenders if there are "genuinely exceptional circumstances". But who will decide what are exceptional circumstances? The judges. The judiciary will decide how much discretion to exercise, by interpreting the scope of this exception. If they place a broad interpretation on it, the mandatory element will be reduced, and courts will exercise customary discretion.

The prime objection to the proposed obligatory life sentence is that it will miss the real target. Mr Howard has identified the problem, that an offender sentenced to a determinate sentence of imprisonment has to be released on a certain date, whether or not he is still dangerous. He was not the first to do so. A Committee on Mentally Abnormal Offenders, chaired by former Conservative Home Secretary Lord Butler, highlighted the same point 20 years ago. Their solution – a reviewable sentence – was better: it applied to a wider range of offences and was within the discretion of the courts. Mr Howard's scheme seems bound to require courts to pass life sentences where they are obviously inappropriate. A man was recently sentenced to five years for holding up a building society with a cucumber concealed in a plastic bag. If he does it again he will risk a life sentence. A man who, persistently and indecently

assault children, will not, as indecent assault is not punishable with life imprisonment. Mandatory sentences for persistent burglars and drug traffickers are equally unpromising. In the case of drug traffickers they are simply redundant; courts at present work under clear judicial guidelines which result in severe sentences on first-time drug traffickers. Long sentences on persistent burglars were authorised by legislation in 1908, 1948 and 1967: each time they failed. Under Mr Howard's scheme, a third-time burglar could be sentenced to the same sentence as a first-time rapist, or longer. The result will strike most people as unjust.

The writer is Reader in Criminal Justice at Cambridge University and editor of 'Current Sentencing Practice'.

Teachers' tales at the seaside

Violent pupils will be demonised at union conferences. But, asks Fran Abrams, who will speak up for the children?

It is the season for teachers to meet at the seaside to complain about their lives and swap tales of horror and classroom hell. As usual, violence is high on the agendas of this year's union conferences and headlines will scream of "teeny thugs" and "terror tots" who threaten and intimidate staff.

This week the Association of Teachers and Lecturers, meeting in Torquay, produced a typical case. A nine-year-old boy had become so violent that his teacher was permanently disabled with a back injury.

A harrowing story, without a doubt, and one that certainly should never have had to be told. But the collective jaw of the press, who had assembled to hear it, dropped when it was revealed that the child was a recent refugee from Zaire. The boy's behaviour appears to have stemmed from his distress at witnessing and being forced to flee from the atrocities that tore apart his homeland in 1992.

As similar tales of woe emerge over the next few days, it might be an appropriate time to reflect on the way in which teachers' unions have been allowed to control this debate.

The following comment, from a teacher who had to leave the profession after an attack by a pupil, sums up the prevalent attitude: "It is considered a basic human right to be a nuisance and get away with it. Children can do no wrong... the idea that they deliberately choose to do something wrong seems to be considered almost blasphemous." This is perfectly understandable from somebody whose life has been ruined, but it does not tell the whole story.

The teachers who suffer these serious problems of violence and disruption have a strong voice in their unions. The children concerned have no one to speak for them. It is easy to demonise these youngsters and to write them off as animals and under-age thugs who deserve no sympathy.

Of course, not every difficult child is a recent refugee. But for many, aberrant behaviour is a cry for help, a reaction to a whole range of traumas. Can we really condemn a child of five who is regularly beaten by his father and who then responds in the classroom by using his own fists?

The teachers' unions exist to protect the interests of their members, and it is perfectly acceptable for them to complain about the lack of support they receive. But the system does not just fail the teacher

who is left to cope alone with an out-of-control infant as well as with 30-plus others. It also fails the other children whose education cannot continue while their teacher is busy trying to calm a disruptive classmate. And it fails the damaged, disturbed child who clearly needs far more help than an over-stressed primary teacher can give.

The unions are right to raise the issues, but they should not be allowed to hijack them in what sometimes seems a cynical attempt to grab media attention. Nigel de Gruchy, general secretary of the National Association of Schoolmasters/Union of Women Teachers, has said

The unions must not be allowed to hijack the issue

repeatedly that if it came to a choice, he would rather see disruptive children on the streets wrecking cars than in the classroom wrecking lessons. A handy soundbite, perhaps, but one that fails to address the wider issues.

Excluded pupils who become juvenile delinquents often go on to spend their lives in and out of prison. Their children suffer the same disruption, often against the same backdrop of violence in their home lives that they suffered themselves, and so the cycle continues. Of course, it is not fair to ask schools to shoulder all society's ills, but there are more constructive solutions.

David Blunkett, Labour's education spokesman, talked this week about pupil referral units to which such children could be sent for a cooling-off period of up to a term. He also talked about sending teachers to the unit in order to improve their skills in dealing with disruptive behaviour. Extra staff in schools can help, too, so that these youngsters can receive the attention that they so clearly need.

These measures would not, of course, solve the problem – this week's conference heard about a five-year-old who put his personal minder in hospital by hitting him in the eye with his shoe – but they would ease the pressure. And maybe they would help to stem the flow of holiday-season scare stories about the scourge of our out-of-control youth.

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Published by the European Medical Journal

'Totally shocked' Robinson denies any wrongdoing

NIC CICUTTI

Peter Robinson, who resigned suddenly on Tuesday as chief executive of Woolwich Building Society after allegations of financial irregularities, strongly denied yesterday that he had misused the society's facilities in any way.

Mr Robinson claimed that he had only been made aware of the allegations on his return from holiday in Barbados on Monday.

Sources have said his shock resignation came after claims that he used gardeners employed by Woolwich to carry out work on the grounds of his home in the village of Brasted, in Kent.

Mr Robinson, 54, was also alleged to have borrowed a company Range Rover for use by his family, in addition to having decorating work carried out on his £450,000, six-bedroomed mock-Tudor house.

But in a statement issued through his lawyers, Mr Robinson, who was ousted after a board meeting, said he was "totally shocked" at the action taken by the society.

He said: "The first I heard from the board was on Monday afternoon. This was after 33 years of unblemished service with the Woolwich, of which I am very proud, and culminating in my appointment as chief executive only three months ago."

"I deny that I have in any way misused the society's facilities and the matter is now in the hands of my solicitors."

Henry Clinton-Davis, a partner at the law firm DJ Freeman that is representing Mr Robinson, said the matter was being examined to decide on what course of action to take.

A Woolwich spokesman said: "Mr Robinson is entitled to his views but our action was based on an irreparable loss of confidence on the part of the board and management."

It is believed that unless a settlement is reached, Mr Robinson's resignation might preclude him from compensation for the sudden end of his rolling two-year contract, paying £300,000 a year. However, at the formal retirement age of 62 he may still be entitled to pension rights based on his 32 years of service with Woolwich.

The society's chairman, Sir Brian Jenkins, said: "The allegations centre on the irregular

Woolwich comment:
"Our action was based on an irreparable loss of confidence on the part of the board"

use of the society's facilities but there are a number of matters under investigation."

It is understood that details of the alleged irregularities surfaced very recently after an internal audit. Non-executive board members, including Sir Brian, met on Sunday to discuss their findings.

Mr Robinson is thought to have been summoned to a second meeting at the home of Sir Brian in Blackheath, South-east London, on Monday afternoon. Among others at the meeting was Lord Borrie, another board member.

The following day, at a meeting held at the society's offices, board members discussed the

results of the audit. Two hours after a break for lunch, Mr Robinson resigned.

His departure comes just a year before the society, the UK's third-biggest, is to seek a £3bn stock market listing.

A spokeswoman said the plans for flotation to a bank "remained on track". More than 3.5 million members will receive a share hand-out worth an average of £800 each if the society succeeds in its plan.

Mr Robinson, who started with the society as a management trainee, was seen as the driving force behind the flotation plans. There had been speculation that he has not had an easy relationship with Sir Brian, a former Lord Mayor of London and City accountant. This is being officially denied.

Former chief executive Donald Kirkham is taking over as head of the society until a replacement is found.

Among those strongly tipped to succeed him is Woolwich operations director John Stewart, who as Mr Robinson's right-hand man, has the task of finding suitable acquisition targets for the society.

Mr Kirkham, chief executive for 10 years before Mr Robinson's appointment, was once a strong opponent of conversion. However, a Woolwich spokeswoman reported Mr Kirkham as saying yesterday: "I may have been described as a high priest of mutuality, but I have now changed religion."

The society also claimed that the decision to float had been reached unanimously by its board after a two-year review at Woolwich.

Rob Thomas, a building society analyst at UBS, argued that the flotation was still likely to proceed as planned.

Comment, page 23



In happier times (inset): Peter Robinson (left) and Sir Brian Jenkins. Above, Mr Robinson's house in Brasted, Kent

Kent News and Pictures/FT

Northern Rock reveals flotation plans

NIC CICUTTI

Northern Rock, the UK's eighth largest building society, yesterday joined the growing throng of societies shedding their mutual status as it announced plans to seek a stock market listing and give its one million members free shares worth up to £1,000 each.

The society's plans were greeted with surprise by analysts, who queried whether Northern Rock, valued at about

£1bn, was large enough to fight off potential predators and flourish in an increasingly competitive financial environment.

Christopher Sharp, managing director at Northern Rock, argued, however: "We are no more vulnerable to the possibility of a takeover now than we would be if we remained as a mutual."

"We believe we are proposing a structure that better suits our vision of what a modern-day specialised mortgage lender

would be, which will help us provide better value for money for our customers."

He said that once it became a bank, the society would continue to play to its existing strength in the mortgage and savings market, without aiming to become a broader-based provider of financial services.

About 750,000 savers and 250,000 borrowers will be balanced on the plans, probably in April next year, with conversion formally taking place in October.

To qualify for a vote, members must have opened an account by yesterday containing at least £50, but which must be topped up to at least £100 by the end of the year.

As part of its continued commitment to the North-east, where the society has a very strong presence, Northern Rock said it will be setting up a charitable foundation when it floats, to which it will covenant 5 per cent of its annual pre-tax profits. The foundation will also re-

ceive non-voting, non-dividend-paying shares, with the option of converting into 15 per cent of the ordinary share capital of the new company.

Terry Eccles, managing director at JP Morgan, the merchant bank that has worked on the flotation, said the foundation shares were not intended as a "poison pill" to frustrate any rival bidder. The foundation's covenant will prevent that from happening and only convert upon takeover, he said.

Treasury bows to critics of PFI targets

MICHAEL HARRISON

The Government yesterday bowed to criticisms of its Private Finance Initiative by announcing new measures designed to ensure that it hits its target of funding £14bn worth of public sector projects by April 1999.

Michael Jack, Financial Secretary to the Treasury, announced fresh procurement guidelines for government departments to speed up the flow of deals under the initiative and cut the cost of bidding - one of the chief complaints of contractors.

He also disclosed that the PFI had hit its target in 1995/96 with £4.8bn worth of deals agreed and a further £660m at preferred bidder stage or due to follow shortly.

In a bid to bolster the initia-

tive and drive home the importance attached to it by the Chancellor, Kenneth Clarke, Mr Jack is being sent on a nation-wide tour of PFI projects to spread the message to businessmen and civil servants alike.

Mr Jack also announced details of two new hospital projects worth £260m in Swindon and Norwich and published two new case studies of PFI-funded prison projects designed to demonstrate value for money.

The launch of the next phase of the PFI came as the all-party Commons Treasury Committee was finalising a highly critical report on the initiative.

The report is expected to question whether the Government can hit its £14bn target and to voice fears that ministers are cutting capital spending without being sure there will be private funding to make up the shortfall.

In the current financial year, the value of projects funded under the PFI is equivalent to nearly a quarter of the Government's total capital spending programme. However, of the £5bn worth of projects awarded, the Channel tunnel high-speed rail link accounts for £2bn.

Martin Laing, chairman of the Construction Industry Employers Council, welcomed the new procurement guidelines but cautioned they had to be understood by civil servants with day-to-day responsibility for PFI projects.

Comment, page 23



Michael Jack: Procurement guidelines to speed up deals

Shetland oil go-ahead secures 1,400 jobs

MARY FAGAN
Industrial Correspondent

The Government has given the green light to the development of the £900m Schiehallion oilfield, 100 miles west of Shetland.

The decision secures up to 1,400 jobs at the Harland and Wolff shipyard in Belfast which has won the order to build the floating production vessel for the field.

Schiehallion, operated by BP, is the second-largest oilfield

after Scott to be approved in the last 10 years. It has recoverable reserves of 340 million barrels, with the first oil expected to start flowing in 1998.

Tim Eggar, minister for energy and industry, said the development would play an important role in establishing the region as an important new oil province.

BP and its partners should be congratulated for "surmounting the hostile environment" in an area known in the industry as

the Atlantic frontier. BP, which this year also starts production in the Foinaven field west of Shetland, has 33.35 per cent of Schiehallion with Shell holding a further 33.35 per cent. Other partners include Amerada Hess, Aram (owned by Statoil), OMV and Murphy Petroleum.

The contract for the design, engineering and production of the production vessel goes to the Atlantic Frontier Alliance - a group including Brown and Root and Harland and Wolff.

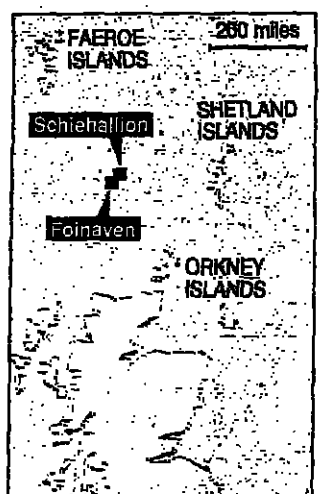
The £400m new-generation specialist floating production, storage and offloading vessel will be the largest of its kind. It will eventually be moored 120 miles off the Shetland Islands in water up to 1,500ft deep and will have the capacity to process about 140,000 barrels of oil every day. One controversial decision as yet outstanding is where the crude will be landed.

Sullom Voe in Shetland and Flotta in Orkney are vying for the deal but one option may be

to send the crude direct to European refineries.

Mr Eggar said: "This order will establish the company as one of the most experienced builders of this type of specialist vessel, and should lead to orders from all over the world."

Separately, Shell Expro, a joint venture with Exxon, said it awarded the contract for the onshore recycling and disposal of its North Sea Leman BK gas compression platform to Able, a UK firm.



French Telecom loses monopoly status

MARY DEJEVSKY
Paris

The French government is to strip France Telecom of its monopoly status, in a move toward the wholesale deregulation of the domestic telecommunications market.

In a bill to be introduced in the French parliament next month, the government plans to open the market to an unlimited number of private competitors, under the supervision of an independent regulator.

The move comes in advance of the 1 January 1998 deadline set by Brussels for wholesale liberalisation of telecommunications throughout the European Union.

Introducing the bill yesterday, the telecommunications minister, Francois Fillon, stressed the benefits to consumers from deregulation, citing the fall in prices and proliferation of services in Britain and Sweden. He

anticipated that prices in France could fall by more than 30 per cent after deregulation.

The radical deregulation follows a controversial decision, announced last month, that France Telecom will be least 51 per cent state-owned, even after 1998 - a concession seen at the time as a transparent attempt to reassure the company's powerful trade unions.

Publication of the new Bill so soon after apparently shelving plans for the privatisation of France Telecom suggests the government may be following a long-term strategy designed to make privatisation inevitable down the road.

Faced with full competition for the first time, the state operator could start to lose customers, and be forced to shed jobs on a massive scale. That might encourage it to seek privatisation of its own accord in order to compete.

Media upheavals, page 26

Daimler hit by record £2.5bn loss

Daimler-Benz, the giant car and truck-maker, is not paying a dividend to shareholders for the first time since 1950 after running up the biggest loss in German corporate history of Dm5.7bn (£2.5bn).

The losses for 1995 included a hefty Dm5.1bn of restructuring costs, of which almost Dm4bn was attributed to electric and engineering unit AEG and at aircraft unit Daimler-Benz Aerospace (Dasa).

During 1995, Daimler announced it would sell AEG's core activities and absorb the remaining operations.

Dasa, which has already reported a record Dm4.3bn loss for 1995, added to its parent's problems earlier this year by announcing it would take a Dm2.3bn hit from Dutch aircraft unit Fokker, which went bankrupt last month.

Daimler said yesterday that it had tried to include almost every last piece of negative

financial news in the 1995 figures, and believed the way was now clear for what may be a rapid recovery to "clear profitability" this year.

It added that its core businesses, car and truck-maker Mercedes-Benz and financial and computer services unit Daimler-Benz Interservices, were both successful in 1995. Together they account for 80 per cent of Daimler's revenues.

"The show of strength of the last few months showed that the board has taken measures to offer Daimler-Benz shareholders an attractive return," said Juergen Schrenpp, chief executive. Analysts were sceptical, however, about the company's ability to recover quickly. Daimler, which made a net profit of Dm895m in 1994, will give further details on its 1995 results in a week's time. The shares fell just Dm5.6 to Dm794.6, reflecting the fact that there were no new problems.

STOCK MARKETS									
Index	Close	Day's change	Change (%)	1995/96 High	1995/96 Low	Yield (%)			
FTSE 100	3725.10	-3.40	-0.1	3781.30	2639.50	3.98			
FTSE 250	4359.90	+11.20	+0.3	4359.90	4016.30	3.41			
FTSE 350	1677.00	-0.20	-0.0	1689.00	1616.60	3.85			
FT All Share	2102.12	+3.35	+0.2	2102.12	1678.61	3.06			
New York	1855.90	-0.01	-0.0	1864.59	1498.23	3.79			
Tokyo	21464.73	-136.39	-0.6	21600.08	19734.70	0.727			
Hong Kong	11139.88	-4.76	-0.0	11594.99	10073.39	3.241			
Frankfurt	2494.40	-6.82	-0.3	2525.42	2253.88	1.951			

Source: FT Information

INTEREST RATES									
Short sterling*			UK medium gilt			US long bond			
Rate	1 Month	1 Year	Rate	1 Month	1 Year	Rate	1 Month	1 Year	10 Year
UK	5.93	6.34	8.07	8.38	8.17	8.40			
US	5.37	5.56	6.29	7.11	6.66	7.38			
Japan	0.50	0.75	1.83	2.72	-	-			
Germany	3.25	3.28	6.37	7.03	7.11	-			

CURRENCIES									
£/\$			£/DM			£/¥			
Rate	Yesterday	Change	Rate	Yesterday	Change	Rate	Yesterday	Change	Year Ago
\$ (£ London)	1.5259	+0.16c	1.6035	£ (£ London)	0.6554	-0.06	0.6238		
\$ (NY)	1.5280	+0.20c	1.6110	£ (NY)	0.6553	-0.09	0.6207		
DM (£ London)	2.2570	-0.17p	2.2184	¥ (£ London)	1.4792	-0.24p	1.3659		
¥ (£ London)	163.13	-10.58p	138.703	¥ (£ London)	106.900	-10.95p	96.50		
£ Index	83.4	-0.1	84.7	£ Index	95.7	-0.2	89.2		

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Building societies desperately need a new role

COMMENT

'With a scandal of this sort sitting on its shoulders, Woolwich loses much of its credibility as a serious stock market concern'

What is left of the building society movement – yes, this dwindling band still refers to itself as a movement – seems finally to be falling apart. Northern Rock, always thought of as a diehard supporter of the old mutual tradition, is joining the stampede into conversion and banking status, albeit in a fudged and slightly curious manner. Its decision to do so coincides with a building society scandal of such crass stupidity that it almost defies belief. Though wholly unrelated, the two things seem to tell the same tale. This is of an industry in disarray, without purpose or strategy, desperately searching for a new role in the world and yet unprepared wholly to throw away the past.

Even the merest hint that a building society chief may have had his fingers in the till (and there is a lot more than that coming out of the Woolwich) sends a shiver down the spine. Building society practice when it comes to directors' pay and perks may always have been more sloppy and lax than anyone now cares to admit. The quid pro quo for lower pay than is common in the banking sector has for those at the top long been a few hidden perks on the side. But the allegation that Peter Robinson used society money and facilities on the scale suggested for his own personal benefit is none the less to most people a deeply shocking one. If you cannot trust a building society manager, who can you trust?

Furthermore, the society's insistence that the affair will have no effect on its planned

stock market flotation is plainly nonsense. The man brought out of retirement to fill Mr Robinson's shoes, Donald Kirkham, never wanted to convert in the first place. With a scandal of this sort sitting on its shoulders, Woolwich loses much of its credibility as a serious stock market concern. What's it going to do with its five years of grace as a publicly quoted company – landscape-garden Britain?

Woolwich looks too small even as a specialist bank concentrating on the comparatively narrow territory of domestic mortgage lending, to be a credible player. The rest of the banking world is fast consolidating, or at least trying to. Who is going to trust the Woolwich after this to lead from the front in such a process? Unless a new chief executive of drive and ambition is found in double quick time, the Woolwich might be better off accepting the inevitable and succumbing to someone else's plans for the industry.

What is true of the Woolwich is doubly so of Northern Rock, highly successful though this little building society is. Northern Rock is so small that it won't even be part of the FTSE 100. Well, perhaps there could be a market for the small, specialist, regional bank, but the stock market won't like very much Northern's planned establishment of a Charitable Foundation, cute and commendable though the idea is. Every year, the Foundation will spend 5 per cent of the company's profits on good deeds causes. The Foundation's proposed 15 per cent stake in

the company, moreover, looks suspiciously like a poison pill. Nonsense, says Christopher Sharpe, Northern's managing director. We don't need poison pills. The City likes successful companies and we plan to survive on our record. Poor naive fool. Lloyds TSB, already the owner of Cheltenham and Gloucester, likes successful building societies too. It would quite like to own another. Perhaps Woolwich and Northern should start talking. Together, they might just make a credible publicly quoted bank. Apart, they will both look marginalised and weak.

PFI still has a long way to go

When a minister embarks on a morale-building tour of the country it is generally a sure sign of desperation. When he also promises that it will be fact-finding you know he is bracing himself for some particularly unpleasant truths. Quite what Birmingham and Wigan have done to deserve being chosen as the first ports of call for the Financial Secretary, Michael Jack, as he starts his nationwide tour to promote the Private Finance Initiative is not clear.

The minister may survive being bulldozed out of town by angry building contractors but he will be left in no doubt that the PFI has an awful lot still to deliver. Despite Mr Jack's grand claims yesterday, it has a long way to go to fulfil its potential

as the way most public sector projects may one day be financed.

The numbers sound impressive – £14bn of deals promised by 1999 and £27bn of projects identified in total. But the delivery has been less smooth. Of the £5bn of deals signed up this financial year, nearly £4bn is accounted for by just three transport projects, and of those, the Channel Tunnel rail link is only being built with the aid of public subsidies approaching £2bn.

Three years on, the PFI is still dogged by two problems. At the supply end it relies upon civil servants who have little concept of risk assessment and even less idea of how to transfer risk to the private sector. At the delivery end, there is a dearth of contractors sufficiently well capitalised to take on projects or even in some cases afford the costs of tendering. The new procurement guidelines published yesterday for civil servants and contractors are to be welcomed. But it is extraordinary that it has taken the Treasury three years to wise up to such basic rules as providing a clear definition of what the public sector's requirements are before going out to tender.

The establishment of departmental champions to see projects through and the determination to whittle the tendering process down to a single preferred bidder will also help. But these measures will only go part way to addressing the criticisms levelled at the PFI and certainly do not meet the demands of some construction groups for a

Whitehall department dedicated to negotiating PFI contracts.

At the supply end of the chain there is still a massive job to be done educating civil servants. Simply ensuring that the new procurement guidelines percolate through Whitehall departments and local authorities will be a major feat. At the delivery end, there are still far too many contractors brought up on cost-plus contracts or who make their money on contract claims.

For the PFI to work effectively it has to attract multinationals of the likes of Shell or ICI who are used to project management on a big scale and have the capital base to take on large ventures. The construction industry has long since accepted that the projects brought forward under the PFI will be incremental to existing expenditure. This means that unless the PFI delivers, large gaps will start to appear in the Government's capital spending programme.

The Treasury Select Committee, which will report on the PFI in the next few weeks has identified this as one of the initiative's biggest weaknesses. Conversely, it could be seen as its greatest strength. If the PFI does not deliver it will mean more crumbling roads, dilapidated hospitals and schools and overcrowded prisons.

That is one scenario no government wants to take into an election. As a consequence, 1996 is almost certainly the year when the PFI has to prove that its time has come, or quietly expire.

Siebe seals £511m Unitech takeover

MAGNUS GRIMOND

Siebe yesterday sealed agreement with rival engineering group Unitech for a £511m takeover. The two sides have been talking since Siebe announced last month it had bought a 25 per cent stake in Unitech from Electrowatt of Switzerland and had an option over the Swiss group's remaining 4.1 per cent holding.

The main offer is 0.804 Siebe shares for every one in Unitech, with a full cash alternative worth 65p a share. Siebe's shares fell 23p to 874p, putting a value just short of 703p on the paper offer. Unitech rose 29p to 703p.

Electrowatt has committed itself to accepting the offer for its remaining holding in Unitech and Siebe has also received acceptances from directors controlling a further 1.2 per cent, giving Siebe control over 30.3 per cent.

Siebe has had to pay significantly more than the 59p a share which it paid for its initial stake, but Allen Yurko, chief executive, dismissed suggestions that they had been forced to overpay to secure board agreement. "Certainly board agree-

ment was significant and important to us. We wanted a growth company, management agreement and to bring on board [Unitech's Japanese subsidiary] without hostility."

But he described the 670p average price for the bid as "very fair". Siebe hopes to retain all the executive members of the Unitech board, led by Peter Curry, chairman and chief executive, and has no present plans to close either the company's Reading headquarters or any of its plants.

The acquisition would not dilute earnings in the first year and would enhance them in following years, Mr Yurko claimed. It would strengthen Siebe's existing business in three strategic areas.

Unitech was a leader in electronic power controls, used inside electrical equipment as sophisticated current transformers. It was "the final peg in the final hole" in the group's existing electronic controls business, where they would now be in all the main markets of the world, he said. Unitech would take the 2 per cent world market share of Siebe's existing Tessor business to around 10 per cent.

Meanwhile, he described Nemie-Lambda, 50.6 per cent controlled by Unitech, as "a brilliant company". Siebe had been looking for years at ways to penetrate the Far Eastern market and this was a backdoor way of doing an acquisition there, he said. "It would have taken five to six years to have built this sort of presence."

Finally, Unitech's heating, ventilating and air conditioning operation was entirely complementary with Siebe's own business in this area. It would reinforce the group's leadership in this market, adding around 3 points to its market share to between 18 and 19 per cent.

Analysts were less enthusiastic about the bid. Sandy Morris of NatWest Markets said: "I can understand where [Unitech] fits in. Their product is an adjunct to everything else [Siebe] does. This allows them to offer a complete electronic controls system." But he questioned the claim that the acquisition would not be dilutive, saying he would have to raise his forecast for Unitech for the 1997-98 year, the first full 12 months with the group, from £64m to £72m, to make the numbers stack up.

IN BRIEF

• More than 2,200 former workers at the Swan Hunter shipyards will share in around £5.5m redundancy payments two years after the company went bust, because of an agreement yesterday between receivers and the trade unions. The claim by the Confederation of Shipbuilding and Engineering Unions comes under the controversial Paramount Case ruling from last year, and opens the door to compensation for thousands more former employees of companies that collapsed between 1986 and 15 March 1994. Ex-employees could benefit at Leyland Daf, Ferranti, BCCI and Polly Peck. The bodies suffering as a result will be mainly the Inland Revenue and the VAT, since compensation will be paid from recoveries which would previously have gone to preferred creditors. The accountancy firms which employ the receivers will also be hit. Last year the Law Lords made receivers liable for the severance pay and pensions contributions of employees kept on for more than 14 days following a company going bust.

• Railtrack will borrow £2.35bn from a syndicate of international banks ahead of its flotation planned for May. Analysts said the figure was about £1bn more than forecast, an increase thought to be due to increased requirements for the Thameslink-2000 project. The loan will be backed initially by eight banks led by Barclays. The company said that of the money raised, £1.65bn will be used for general working purposes and some £700m will help fund Thameslink-2000.

• North West Water, one of the companies heavily criticised during the drought, has appointed two customer representatives as non-executive directors. Both appointees are JPs in Liverpool Magistrates Court. They are: physiotherapist Deborah Morton, a former member of the North West Customer Service Committee set up by Ofwat, the industry watchdog; and Phillida Entwistle, a zoologist and a member of the North West Rail Users Consultative Committee.

• United News & Media, in its last set of results before its merger with M&A yesterday unveiled pre-tax profits of £138m before restructuring costs and extraordinary items, on turnover of just over £1bn. The results, which were signalled in February when the merger was announced, were affected by sharply higher newspaper costs and a restructuring charge following redundancies.

• Regal Hotels Group has agreed with Granada to buy 60 White Hart hotels, for £121.7m cash. Granada is selling the hotels as part of its divestment of assets inherited when it won its battle for Forte earlier this year.

• PowerGen has agreed with chemicals group Brunner Mond to build a £100m combined heat and power plant at Brunner's Winton site. The chemicals group will take all the heat produced by the plant and some of the electricity with the balance sold to the nation's electricity trading pool. Around 500 jobs will be created during construction. It also emerged that National Power, ated during construction, has been selected to invest £215m in the UK's largest generator, has been selected to invest £215m in the new Kot Addu power station in Pakistan.

• German industrial output is likely to drop by 2 per cent this year, according to Ifo, the economic research institute. It said foreign and domestic orders had fallen since mid-1995, and there was no prospect of an improvement about the economy. The Eurozone pessimistic end of opinions about the economy. The European Commission's monthly confidence survey showed that optimism in industry across the EU continued to weaken, dominated by declining orders in Germany and Italy. But consumer confidence picked up slightly in March, despite a jump in fears of unemployment in France.

Ladbroke deal with Hilton on cards

TOM STEVENSON
City Editor

A deal between Ladbroke's Hilton Hotels arm and the Hilton Hotels Corporation in the US looked increasingly likely last night after comments from Stephen Bollenbach, new head of the American operation, to a high-level industry conference.

Mr Bollenbach is reported to have said that he believed Hilton Corporation had "an underleveraged balance sheet". He confirmed that he was in discussions with Ladbroke on the subject of putting the two businesses together in some form and said he would like to see co-operation between the two.

Speculation that a deal might be close was fuelled by further remarks from Mr Bollenbach that he was keen to expand Hilton Corporation both inside and outside the US. He added that he felt the cost of debt in America was relatively cheap at the moment.

News of Mr Bollenbach's comments to a group of 70 large institutional investors, as well as representatives of hotel chains including Intercontinental and Marriott, emerged as Kleinwort Benson, organiser of the conference, issued its annual review of quoted hotel companies.

Kleinwort analysts Paul Slattery and Greg Feehely said they expected 1996 to be another strong year for the UK hotel industry. Company profits would be boosted by the tight supply of new hotel rooms and rising occupancy levels which would inevitably force room rates higher. During 1995, the broker said, while occupancy levels grew in line with expectations, room nights sold increased by 3.7 per cent to 31.35 million, the highest level since Kleinwort's records began. Investment column, page 24

BET pushes up forecast as bid deadline nears

MARY FAGAN
Industrial Correspondent

BET yesterday stepped up its defence against the £1.9bn hostile takeover bid from Rentokil by announcing an upwards revision of its profit forecast for the current year from £142m to £146m.

The estimate, however, drew accusations of "incompetence" from Rentokil, which has until the end of next week to decide whether to increase its 203p cash-and-shares bid for the rival business services company.

BET, which made its first profit forecast for the year to next March just a fortnight ago, said it also expected earnings per share to rise by at least 35 per cent to at least 11.1p. The group has already forecast that its dividend for 1996/97 will rise

at least 20 per cent to a net 6.15p per share.

Shares in BET rose by 2p to 205.5p and Rentokil closed 3p higher at 362p.

Sir Christopher Harding, BET chairman, said: "This powerfully demonstrates three key points about BET – the strength and momentum of our current growth, the prudence with which we forecast, and the inadequacy of Rentokil's offer."

BET has until tomorrow to publish any more fresh financial information to the market and any revised bid by Rentokil from the present 203p cash-and-shares offer must be made no more than a week later. Most analysts are expecting a slightly raised offer from Rentokil to clinch victory but some believe that it could squeeze success without giving ground.

Clive Thompson, Rentokil's chief executive, said that the release of yet another profit forecast is a "sheer sign of management incompetence".

Mr Thompson attacked the latest profit forecast as lacking back-up details, adding: "How can shareholders regard this as credible? I believe there is too little information as to where this late contribution to BET's profit estimate has come from."

BET said the estimate, unlike the previous forecast, is based on full information for the year to the end of March. There is a growing view in the City that Rentokil has all but won the £1.9bn takeover. Fidelity, which owned more than 5 per cent of BET at the start of the bid, is thought to have reduced its holding of 50 million shares to 18 million.

NOTICE TO HALIFAX SAVINGS AND BANKING CUSTOMERS

	UK RATES				NON-RESIDENT RATES				NON-PERSONAL RATES			
	GROSS PA %	GROSS C.A.R. %	NET PA %	NET C.A.R. %	GROSS PA %	GROSS C.A.R. %	GROSS PA %	GROSS C.A.R. %	NET PA %	NET C.A.R. %		
SPECIAL RESERVE BOND*	5.90	-	4.72	-	-	-	-	-	-	-		
HALIFAX TESSA 2* Standard rate	5.65	-	-	-	5.65	-	-	-	-	-		
Matured TESSA*	5.65	-	4.52	-	5.65	-	-	-	-	-		
BONUS GOLD* (Including Bonus)												
£100,000+	5.75	-	4.60	-	5.60	-	5.35	-	4.28	-		
£50,000+	5.45	-	4.36	-	5.30	-	5.15	-	4.12	-		
£25,000+	5.25	-	4.20	-	5.10	-	4.95	-	3.96	-		
£10,000+	5.00	-	4.00	-	4.85	-	4.80	-	3.84	-		
Monthly Income Option (Including Bonus)												
£100,000+	5.62	5.75	4.50	4.58	5.47	5.60	5.23	5.35	4.18	4.26		
£50,000+	5.33	5.45	4.26	4.34	5.19	5.30	5.04	5.15	4.03	4.10		
£25,000+	5.14	5.25	4.11	4.18	5.00	5.10	4.85	4.95	3.88	3.94		
£10,000+	4.90	5.00	3.92	3.98	4.76	4.85	4.71	4.80	3.77	3.83		
SOLID GOLD*												
£50,000+	4.85	-	3.88	-	4.70	-	4.65	-	3.72	-		
£25,000+	4.60	-	3.68	-	4.45	-	4.40	-	3.52	-		
£10,000+	4.10	-	3.28	-	3.95	-	4.10	-	3.28	-		
£5,000+	3.95	-	2.68	-	3.20	-	3.25	-	2.60	-		
£500+	3.05	-	2.44	-	2.90	-	2.90	-	2.32	-		
Monthly Income Option												
£50,000+	4.75	4.85	3.80	3.87	4.60	4.70	4.55	4.65	3.64	3.70		
£25,000+	+5.1	4.60	3.61	3.67	4.36	4.45	4.31	4.40	3.45	3.50		
£10,000+	4.02	4.09	3.22	3.26	3.88	3.95	4.02	4.09	3.22	3.27		
£5,000+	3.50	3.55	2.64	2.67	3.15	3.20	3.20	3.25	2.56	2.59		
£500+	3.01	3.05	2.41	2.43	2.86	2.90	2.86	2.90	2.29	2.31		
LIQUID GOLD*												
£25,000+	3.70	-	2.96	-	3.55	-	3.45	-	2.76	-		
£10,000+	3.30	-	2.64	-	3.15	-	3.15	-	2.32	-		
£5,000+	2.90	-	2.32	-	2.75	-	2.70	-	2.16	-		
£2,500+	2.70	-	2.16	-	2.55	-	2.45	-	1.96	-		
£500+	2.45	-	1.96	-	2.30	-	2.20	-	1.76	-		
£50+	0.75	-	0.60	-	0.75	-	0.75	-	0.60	-		
ASSET RESERVE CRIQUE ACCOUNT												
£50,000+	4.95	5.04	3.96	4.02	4.95	5.04	4.35	4.42	3.48	3.53		
£25,000+	4.65	4.73	3.72	3.77	4.65	4.73	3.90	3.96	3.12	3.16		
£10,000+	4.30	4.37	3.44	3.48	4.30	4.37	3.65	3.70	2.92	2.95		
£5,000+	3.60	3.65	2.88	2.91	3.60	3.65	3.35	3.39	2.68	2.71		
YOUNG SAVERS*												
MAXIM CURRENT ACCOUNT	1.00	1.00	0.80	0.80	-	-	-	-	-	-		
£2,000+	0.50	0.50	0.40	0.40	-	-	-	-	-	-		
£50+	-	-	-	-	-	-	-	-	-	-		
MAXIM	3.10	3.14	2.48	2.51	-	-	-	-	-	-		
Under 21 and Student Maxim*	-	-	-	-	-	-	-	-	-	-		
CARD CASH												
£50+	0.50	0.50	0.40	0.40	-	-	-	-	-	-		
CARD CASH												
Under 21*	3.10	3.12	2.48	2.50	-	-	-	-	-	-		
MATURED FUNDS ACCOUNT*												
£10,000+	3.70	-	2.96	-	3.70	-	3.70	-	2.96	-		
£2,000+	3.10	-	2.48	-	3.10	-	3.10	-	2.48	-		
Monthly Income	3.64	-	2.91	-	3.64	-	3.64	-	2.91	-		
£10,000+	3.06	-	2.45	-	3.06	-	3.06	-	2.45	-		
£2,000+	-	-	-	-	-	-	-	-	-	-		
TREASURER'S ACCOUNT*												
£2,500+	4.20	-	3.36	-	-	-	4.20	-	3.36	-		
£500+	3.65	-	2.92	-	-	-	3.65	-	2.92	-		
£1+	0.75	-	0.60	-	-	-	0.75	-	0.60	-		
CLOSED ISSUES												
TESSA Gold*	6.15	-	-	-	6.15	-	-	-	-	-		
Including maturity bonus	6.27	-	-	-	6.27	-	-	-	-	-		
Halifax TESSA*	5.65	-	-	-	5.65	-	-	-	-	-		
Including maturity bonus	6.46	-	-	-	6.46	-	-	-	-	-		
Deposit £500+	2.20	2.21	1.76	1.77	2.20	2.21	2.20	2.21	1.76	1.77		
£50+	0.75	0.75	0.60	0.60	0.75	0.75	0.75	0.75	0.60	0.60		
Monthly Savings £500+	2.20	2.21	1.76	1.77	2.20	2.21	-	-	-	-		
£50+	0.75	0.75	0.60	0.60	0.75	0.75	-	-	-	-		
7 Day Xtra £2000+	1.66	1.32	1.66	1.66	1.66	1.66	-	-	-	-		
Special Investment Account (1st Issue)	2.75	2.77	2.20	2.21	2.75	2.77	-	-	-	-		
Special Investment Account (2nd Issue)	2.25	2.26	1.80	1.81	2.25	2.26	-	-	-	-		
5 Year Term Share	2.60	2.62	2.08	2.09	2.60	2.62	-	-	-	-		
Subscription Share	2.20	2.21	1.76	1.77	2.20	2.21	-	-	-	-		
Matured Subscription Share	2.20	2.21	1.76	1.77	2.20	2.21	-	-	-	-		

Dream scenario for hotel sector

THE INVESTMENT COLUMN

EDITED BY TOM STEVENSON

Kleinwort Benson's annual review of the quoted hotel sector is eagerly awaited by investors and this year, with signs that the market is starting to reverse its substantial underperformance of the past five years, was no exception.

Analysts at KB confirmed the recent statistical evidence from industry forecasters Pannell Kerr Foster and the anecdotal straws in the wind from firms that this year and next should be bumper periods for UK hotel groups. With GDP growing at 2.2 per cent, the savings rate falling slightly and inflation in retreat, the elements are in place for good domestic demand for hotels.

London is enjoying the dream scenario of limited supply combined with record levels of occupancy. In those circumstances the only pressure valve is room pricing, which can rise quite sharply, allowing hotel owners to reduce the level of room nights contracted to low-margin, high-volume overseas group tours.

That is good news for earnings, because higher room rates fall straight through to profits, unlike higher volumes, which necessarily bring with them incremental costs as well as higher revenue. During its failed bid defence Forte recently said that in 1995 61 per cent of its sales growth was falling through to profits. Brierley has made similar remarks about its Thistle chain. The problem with hotels for investors has always been spotting which companies are best placed to benefit from such a benign trading environment. The combination of a portfolio's location, size, market level of hotel, market share and facilities is such a complex matrix that it can be difficult drawing sensible conclusions.

Faced with those problems Kleinwort Benson has created a hotel index which it hopes will create a more systematic way of analysing the sector. In simple terms it creates a composite score with all the above variables and some others included with an appropriate weighting. That score acts as a measure of how well a company should perform given its asset base and can act as a good first step in deciding whether a share rating is reasonable.

The results make interesting reading. They show, for example that in the top division of UK hotels, the Savoy has the makings of a fine hotel group but is woefully underperforming. Brierley's Thistle chain on the other hand makes a cracking return out of a less than exciting portfolio.

Stakis emerges as a company that makes full use of its available resources, while Queens Moat is not using its portfolio to anything like its full potential. Vaux is another group that KB says could do better. So selecting the right

groups remains the challenge. But against such a good trading backdrop, and having underperformed the market by almost 40 per cent since the beginning of 1990, the sector as a whole should have a good run this year.

Hewden Stuart reaches flat spot

Hewden Stuart, the Glasgow-based plant hire group, has long been one of the darlings of the construction sector. Innate Scottish caution, an obsession with cash flow and high levels of investment have served it well through the recession of the early 1990s and the subsequent painfully slow recovery. The result has been a tripling of profits from the recessionary low hit in 1992-93, after last year's 4 per cent rise just nudged Hewden past the previous peak in 1990.

But the record of £36.3m, struck in the 12 months to January, may prove to be, at best, a plateau for the time being. The new executive chairman, Sandy Findlay, despite a plea that he was not being downbeat, was yesterday pouring buckets of cold water on the incipient recovery in the housing market and re-

iterating that construction remains as weak as ever. Indeed, although he held out the hope that a "very difficult" start to the year might be reversed in the second half, there was a chilling warning that the current state of the industry meant profits from Hewden could be flat for three years.

Mr Findlay has the reputation of being something of a Jeremiah, but his realism has often proved a necessary corrective to the false optimism of the building societies and house-builders. As the largest in the plant hire business, Hewden is something of a bellwether for the construction and building industry.

It is not all gloom and doom. In specialist hire areas like tower cranes, Mobilair compressors and powered access, Hewden's strong market shares and well maintained plant means that premium prices are holding up. Commodity areas like dumper trucks, road rollers and mobile cranes are proving more difficult, while margins in new equipment merchandising have been hit by a stock overhang and profits there slipped 8.5 per cent to £2.7m.

The main plant hire division, which contributes a third of profits, is the more worrying area. Some areas of the market have seen prices slip by up to 10 per

cent and utilisation rates around the 65 per cent mark are a good 5 points below Hewden's comfort threshold.

Plans to slash capital expenditure from £61m to around the expected depreciation level of £36m this year says as much as anything about Hewden's view of the outlook. Same-again profits of £36m would put the shares, down 9p at 148p, on a forward pie of 16. High enough for now.

City Centre dishes up profits

We now spend more than £40bn a year eating out, with 30p that every Briton spends on food going to restaurants. The total market is growing at about 7 per cent year, analysts believe.

That ought to be a pretty attractive backdrop for the 10 specialist restaurant stocks on the market, but as the burgeoning of that mini-sector suggests demand has been more than met by supply. It is a competitive market out there.

In that context, City Centre Restaurants' 10 per cent rise in pre-tax profits to £15.5m was a pretty impressive return from its chain of 205 Deep Pan, Garfunkels, Caffé Uno, and a string of other, restaurants. The jump in profits for the year to December was struck from an 8 per cent rise in sales to £111m. After a 12 per cent increase in earnings per share, the dividend rose by a similar margin to 2.24p and the shares nudged up 1p to 94p.

City Centre's performance is better than it might appear, because, unlike many of its peers, it operates a pretty prudent policy of writing off up to £20,000 every time it opens a restaurant. Others in the sector capitalise pre-opening costs – perfectly acceptable from an accounting point of view, but not necessarily the safest approach from a shareholder's perspective.

With the group planning 50 openings this year, that policy is likely to knock up to £1m off underlying profits. During 1995, the 28 openings completed cost £423,000.

James Naylor, chief executive, freely admits that he is really in the fashion business – at his end of the restaurant market each site is really just a shell into which the latest ethnic food fad can be poured at relatively low cost. The trick is reading trends and keeping costs low.

On the basis of forecast profits of £16.3m this year and £19m next, the company seems to be getting both of those about right. A forecast p/e ratio of 16 falling to 14 incorporates most of the good news, however. High enough.

Old boys' boat race lets bankers put their oar in

CITY DIARY

JOHN WILLCOCK



Boat Race: Veterans will settle for half the usual course in today's event

Those who fear that the Oxford and Cambridge Boat Race on Saturday will be dominated by American postgraduates should take heart from this afternoon's Veterans Boat Race. Mature rowers from both universities will race each other for the first half of the course from the Putney Stone to Hammersmith Pier.

It's not because they aren't fit, insists Cambridge's coach, Chris Dalley – "if we went any further spectators would have lost interest."

Amongst Oxford's over-35 crew today are Allan Kirkpatrick, 36, who works for West I.B. Steve Plumkett, 42, a deputy managing director of Yamaichi Bank, and Andy Hall, 45, President of

Christopher Sharp, the gruff but popular managing director of Northern Rock Building Society, was asked the inevitable question yesterday – did he have a garden which needed work doing on it? (Northern Rock announced its conversion to plc on the day after Woolwich chief executive Peter Robinson was ousted for – among other things – allegedly using the society's gardeners at his own home.) Mr Sharp replied that his own garden was overgrown and needed weeding. "I will throw my garden open. Anyone's welcome to start work on it."

Mr Sharp then stressed how sorry he was to hear of Mr Robinson's enforced departure from the Woolwich. "It's tragic. I've known him for 25 years. He may not be everyone's cup of tea but I have a lot of respect for him."

Incidentally, Mr Robinson lives just two doors down from Lord Nolan, Chairman of the Committee on Public Standards, in Parley, Surrey. Perhaps they should have tea.

PhiBro, an investment subsidiary of Solomon Brothers. Cambridge's cox is Martin Haycock of SBC Warburg, while Dalley himself works at Gammell Kershaw, managing agents at Lloyds of London.

One of the Cambridge crew rowed in the boat which hit a barge and sank – but Dalley isn't saying who.

Lawyers were crowding about their success at a recent quiz evening for "young professionals" in Baker Street, London, when the legal profession ended up with four teams in the top five. A team of property surveyors came joint second, while the best the accountants could do was tenth out of 23 teams – and that was really a bunch of journalists from

Accountancy Age, the trade magazine.

One hack defended the bean-counters' performance at the Imry-sponsored evening. "Not many accountants turned up," she said.

Philippe Sacerdot, 36, who has just joined SBC Warburg's Financial Institutions Group, is one of those irritating people who passes every test with flying colours. He got a degree in history from the Sorbonne, a Masters in Law from the same place, squeezed into the incredibly selective Ecole Nationale d'Administration (ENA), and then to cap it all came top of his MBA year at Columbia University Graduate School of Business in 1990.

He's not the only graduate of ENA at SBC Warburg – there's also Jean-Baptiste Toulouse, who works in SBC Warburg's corporate finance department in France.

Justin Urquhart Stewart, business planning director at Barclays Stockbrokers, recalled yesterday how he used to turn up at the old Stock Exchange in his biker's leathers, only to be turned away and told to use the tradesman's entrance. These days he's probably be chairman.

2 for 1 Eurostar offer with

THE INDEPENDENT

We are offering readers of The Independent and the Independent on Sunday a superb 2 for 1 offer on day return trips with Eurostar, for only £125. When you pay for one standard day return ticket at £125, to either Paris, Lille or Brussels, you will get another to the same value, free.

Eurostar is a service provided together by the railways of Britain, France and Belgium. Simply sit back, relax and in just over three hours you can travel from city centre to city centre, through the Channel Tunnel.

Travel to Paris and discover the splendour of the Sacre Coeur Basilica and the Notre Dame Cathedral; the richness of the Louvre Museum; the vibrancy of the Champs Elysees and the sheer scale of the awe inspiring Eiffel Tower.

Or why not visit Lille, the former capital of French Flanders. It offers a rich collection of architectural curiosities including the pentagonal Citadel fortress built by Vauban, and many enticing restaurants dotted around the city. Brussels holds plentiful attractions, ranging from historic sights to superb restaurants, stylish shops and cafes.

If you would like to stay a little longer in either Paris or Brussels, then you can make use of our second offer. With our Short Break, you can stay in a small, friendly hotel, right in the heart of Paris or Brussels.

Prices start from £109 per person and include one night's accommodation (sharing a twin or double room); continental breakfast; return Eurostar travel and local taxes.

All the hotels have private facilities



with easy access to either the metro or public transport. For Brussels, there are mid-week supplements for three and four star hotels upwards, from £8 per person per night. Listed on this page are details of the hotels.

How to Qualify

Simply collect four differently numbered tokens from the seven we will be

printing until Saturday 6 April. Yesterday we printed an application form for you to complete and attach your tokens to. Today we are printing Token 5; Token 6 will be printed in tomorrow's Independent.

How to Book

To book your Eurostar 2 for 1 day return trip to either Paris, Lille or Brussels, simply call 0345 660420 (9am - 5pm Mon-Sun). Your travel arrangements will be checked and the booking price confirmed. You will be asked to pay by cheque/credit card to European Passenger Services Limited. If you are paying by cheque you will be given details of where to send your cheque to. Your four tokens and application form should be sent to: Independent/Eurostar, PO Box 4AP, London W1A 4AP.

To book your Short Break to either Paris or Brussels, simply select the hotel at which you would like to stay, then call 01233 646181 (9am - 5.30pm Mon-Fri). Your hotel availability and travel arrangements will be checked and the booking price confirmed. You will be asked to pay by cheque/credit card to Swinards. Your four tokens, application form and cheques should be sent to: Independent/Swinards UK Ltd, 26a Bank Street, Ashford, Kent TN23 1BA.

Bookings for both our offers can be made from 3 April - 10 May 1996. Travel is available from 29 April - 3 June 1996. Terms and Conditions are as previously published and are available upon request.



Hotel Name	Grade	Short Break (cost per person)	Extra Night (cost per person)
PARIS:			
Beccarat	2	£109	£33
Royal Navarin	2	£109	£33
Royal Magenta	2	£109	£33
Cheverny	3	£129	£44
Appia	3	£129	£44
Cusset	3 (superior)	£139	£54
Brebart	3 (superior)	£139	£54
The Garden Elysee	4	£155	£70
Copthorne Commodore	4 (superior)	£179	£99
BRUSSELS:			
The Cascade	2	£109	£36
The Vendome	3	£119	£42
The Bedford	4	£125	£46

Bid costs knock Lloyds Chemists

MAGNUS GRIMOND

Lloyds Chemists yesterday warned that the costs and uncertainties surrounding the twin £650m takeover bids for the company will hit this year's results. Announcing a dip in half-way profits, Michael Ward, managing director, said the full-year results would be affected by the costs of the bids, likely to amount to less than £5m, and uncertainties over the outcome.

Lloyds has lost managers and staff in the Health and Beauty chain, the new name for the refurbished and reorientated stores from Lloyds' troubled Drugstore division, which may be targeted for disposal following a takeover.

The group is likely to have to wait until July to discover its fate after the offers from Germany's Gebe and UniChem, the rival British chemists chain, were kicked into touch by the decision to refer them both to

the Monopolies and Mergers Commission.

Pre-tax profits at the group slipped from £26.6m to £25.8m in the six months to December, but Mr Ward dismissed suggestions that Lloyds had rushed into the arms of a bidder after the group had run out of steam.

The figures were hit by higher interest charges, which rose from £3.4m to £4.3m, and a £1.1m loss on the sale of property, up from £200,000 before.

Losses in the drugstores tripled to £1.32m.

Like-for-like sales in the main chemists operations rose 4.3 per cent. There was sales growth in most areas, but Mr Ward said competition from supermarkets kept over-the-counter medicines, representing 20 per cent of the business, relatively static. The chemists' profits nudged ahead from £20.8m to £22m.

The interim dividend goes up from 2.9p to 3.1p.



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market report/shares

Second-liners steal the limelight from blue chips

MARKET REPORT

DEREK PAIN

Stock market reporter of the year



shares - still more than 100p above Monday's close - indicates the deep belief a deal is on the horizon.

The group's failure to make any comment is surprising; the Stock Exchange should have insisted on a statement after such an upsurge.

The market has a host of names in the Thorn frame and a deal before the August demerger is still likely. The link between Bertelsmann and CLT to create Europe's biggest broadcaster heightened the excitement.

Attention was directed at Pearson with break-up stories resurfacing; in busy trading the shares rose 25p to 701p.

Reed International put on 18p to 1,144p; Reuters 11.5p to 733.5p and United News & Media, on figures, a further 21p to 666p.

As the merger talks dragged on BT slipped 4p to 371.5p and Cable & Wireless edged forward 2p to 531p. A deal could push BT to 400p and Cable to 600p but if the talks are called off BT could retrace to 340p and Cable to 440p.

Signs the forecourt petrol war could be drawing to a close helped most of the participants. With the crude price continuing to fall, the strength it could be argued they had little choice but to lift prices.

Hard-pressed independent

Frost recovered 19p to 143p and Tesco, ahead of an expected marketing initiative, improved 7.5p to 274p. Shell rose 10p to 857p.

Bass edged ahead 5p to 767p on a not entirely surprising story that it planned to buy full control of struggling brewer Carlsberg Tetley.

Allied Domecq, with 50 per cent of CT, rose 3p to 500p.

Vodafone improved 2.5p to 258p with NatWest Securities signalling a 318p target price and Schroders 300p.

Argos, the retailer, tumbled 57p to 623p, largely on the back of its special dividend.

Imperial Chemical Industries, as talk of profit downgrades swirled, fell 16p to 894p while Eurotunnel found another new low with a decline 1p to 63p.

Sage, the software group, climbed 27p to 395p, a peak. It is thought to be trading well with its French acquisitions

making significant contributions. Profits could reach £30m against £22.4m.

A bullish circular, possibly by NatWest, is being prepared, suggesting the shares are a buy up to 450p.

Royal Bank of Scotland retreated 7p to 494p. It paid £45m to lift its stake in Banco Santander to 4.29 per cent; the Spanish bank has 9.9 per cent of Royal Bank.

Unitig gained 27p to 703p as the signalled Siebe offer appeared. Siebe declined by 23p to 874p.

Dicom, an image processing group, made the expected strong AIM debut, touching 325p and closing at 310p.

Hurlingham Properties, more subdued, traded at 80p.

Aegis, the media buyer, improved 2.25p to 50p as US group Omnicon placed 75 million shares through Cazenove and ABN Amro Hoare Govett at 45.25p.

Energy Capital Investments, trading at 99p, is set to lift profits and dividends, believes Greig Middleton, the stockbroker. It expects profits this year of £1.25m with a 3p dividend and nearly £3m in 1997 with a 6.5p payout. The company invests in US oil and gas projects without the trouble of managing them. It has invested in 13 developments, selling two at a £3.7m profit.

Stentor, a start-up telephone business based in Dublin, is heading for AIM. It intends to take advantage of the deregulation of the telephone network in Eire. The shares should start trading within a few weeks.

Chelsea Village rose 2p to 60p. The controlling shareholder has sold around 5.5 million shares at up to 58p since Monday.

DATA BANK

FTSE 100

3721.1 3.4

FTSE 250

4359.9 +11.2

FTSE 350

1877.0 -0.2

SEAQ VOLUME

993.1m shares, 52,402 bargains

Gilt Index

92.4 -0.49

SHARE SPOTLIGHT

Share price: pence

F.M.A.M. JASON D.J.

The stock market has become a place for second-liners. While blue chips start and stutter, supporting shares, as represented by the FT-SE 250 index, romp ahead.

This year it has hit new peaks with monotonous regularity, upstaging the blue-chip FT-SE 100 index which has drifted since stretching to a high two months ago.

The success of the supporting cast indicates the underlying resilience of the stock market and the quality of results produced in the current profits season.

Second-liners are not so slavishly at the mercy of knee-jerk reactions to political and economic influences and the goings on in New York.

The appeal of 250 shares to fund managers was demonstrated by the performance of JD Wetherspoon, the pubs group. Its elevation to the 250 club lifted the shares 45p to

929p where they sell at approaching 40 times last year's earnings.

Worries about tomorrow's non-farm payroll figures in the US helped rein back blue chips. At one time Footsie was up 7.8 points; it ended 3.4 lower at 3,721.1.

Last time, the payroll numbers sent New York tumbling, pulling London lower. With the figures, surprisingly, emerging on Good Friday, London will not be able to react until Tuesday. The prospect of such a long wait is testing sentiment.

But, at least for the time being, such influences wait over supporting shares and the 250 index rose 11.2 to 4,359.9. At the start of February it was 4,125p.

Thorn EMI remained the most discussed share in the market with the price sinking 38p to 1,805p as the expected bid failed to materialise. But the relative strength of the

Share Price Data

Prices are in sterling except where stated. The yield is last year's dividend, grossed up by 20 per cent, as a percentage of the share price. The price/earnings (P/E) ratio is the share price divided by last year's earnings per share, excluding exceptional items.

Other details: Ex-Right is a £1 dividend in £5 all UK United Securities Market's Suspended pp Party Paid pp Nil Paid Shares.

Source: Firstcall.

The Independent Index

The index shows you to access real-time share prices by phone from Seaq. Simply dial 0891 123 333, followed by the 4-digit code printed next to each share. To access the latest financial reports dial 0891 1233 followed by one of the two-digit codes below.

FT-SE 100 - Real-time	00	Starting Rates	04	Privatisation Issues	36
UK Company News	01	Bullion Report	05	Water Shares	37
UK Company News	02	Wall St Report	20	Electricity Shares	40
Foreign Exchange	03	High Street Banks	21	High Street Banks	41

Anyone with a land-line telephone can use this service. For a detailed description of The Independent Index, including its portfolio facility, phone 0891 123 333. For assistance, call our helpline 071 674 4375 (9.30am - 5.30pm).

Calls cost 38p per minute (cheap rate), and 48p at all other times. Call charges include VAT.

Market leaders: Top 20 volumes

Stock	Vol/1000	Stock	Vol/1000	Stock	Vol/1000
ASDA Group	200000	Hanson	100000	Victoria Water	70000
British Gas	100000	Anglo Group	100000	BT	60000
British Telecom	100000	Anglo Group	100000	BT	60000
British Telecom	100000	Anglo Group	100000	BT	60000
British Telecom	100000	Anglo Group	100000	BT	60000

FT-SE 100 index hour by hour

Open 3724.5 up 0.1	11.00 3723.8 down 0.7	14.00 3727.9 down 0.8
09.00 3727.0 down 1.5	12.00 3726.8 down 0.3	15.00 3722.2 down 0.3
10.00 3721.5 down 7.0	13.00 3726.5 up 1.1	16.00 3721.6 down 0.9
		17.00 3721.1 down 0.4

High Low Stock Price Chg Yld P/E Ratio

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Oil Exploration

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Other Financial

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Pharmaceuticals

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Retailers, Food

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Retailers, General

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Support Services

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Recent Issues

ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

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Alcoholic Beverages	Index	Low Stock	Price	Q1	Q2
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Banks, Merchant					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Banks, Retail					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Diversified Industrial					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Breweries, Pubs & Rest					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Electricity					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Building/Construction					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Electronics					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Food & Manufacturing					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Gas Distribution					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Health Care					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Household Goods					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Investment Companies					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Leisure & Hotels					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Investment Trusts					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Index-linked					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
Updated					
ASDA Group	200000	1.00	1.00	1.00	1.00
British Gas	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00
British Telecom	100000	1.00	1.00	1.00	1.00

Pay-TV in Europe looks ripe for take-off as the giants jockey for advantage, writes **Mathew Horsman**

Deregulation key to year of multi-media frenzy

The media markets have hardly taken a breather since last year's £17bn mega-merger between Disney and ABC-Capital Cities, and the floodgates look likely to open even wider over the balance of 1996.

And it is not just broadcasters and entertainment companies that will drive the frenzy. Telecommunications, in the US and in Europe, look set to provide ample excitement, confirming that 1996 is to be a year of multimedia upheaval.

A tie-up between Cable & Wireless still looks likely, while Deutsche Telekom is eyeing cable operations in the UK. The Baby Bells are sniffing at other sectors and at each other, with at least one more merger in the industry likely between now and the autumn, according to analysts in New York.

The proximate cause of all the excitement is a wave of deregulation – in the US and the EU particularly. Governments are unshackling broadcasters, telecoms operators, cable companies and publishers alike, allowing a far greater degree of integration to occur.

But more than deregulation is at work. A radical technological revolution is under way, which is helping to break down the old distinctions between broadcasting and telecommunications – between "content" and "carriage". BT is exploring ways of delivering video pro-

gramming down the phone line, while cable companies are offering telephony and Internet connections to the home.

With the explosion in the number of distribution platforms, the advantages of owning programming rights are becoming more obvious by the day. With the advent of digital terrestrial, digital satellite and cable, there is a growing need for entertainment and information to fill excess capacity.

A look at the top media companies – Time Warner, Sony, News Corporation, Via-

gramm, multi-channel pay television, well entrenched in the US, is still in an embryonic stage in most European countries.

In fact, the pay-TV market is likely to drive Europe's media markets for the rest of the decade, according to analysts. Natwest Securities estimates growth of 25 per cent a year until the turn of the century, albeit from a small base.

There are an estimated 70 million potential pay-TV viewers in Europe, a market that makes BSkyB's 5 million satellite and cable subscribers in the UK look

Only Germany's Kirch Group remains outside this charmed circle of broadcasters and industry sources are convinced Leo Kirch, chairman of the private company, will have no choice but to drop his own digital standard and join what has become the dominant alliance in Germany.

"He is being coquettish, and may take his time," one senior alliance source said. "But the Bertelsmann-CLT link has clearly shaken him, and he is looking isolated."

The sheer weight of the alliance may appear to be overwhelming to Mr Kirch. Between them, the five companies control as many as 25 satellite transponders – enough to offer perhaps 250 digital channels. Kirch Group has promised only 15 channels for his German digital service.

Moreover, Kirch holds only 25 per cent of Premiere, the pay-TV channel majority controlled by Canal Plus and Bertelsmann. Premiere has the rights to German football, believed by many to be the key driving force of pay-TV in Germany, just as the Premier League has proved to be in the UK. Mr Kirch has still not agreed to allow BSkyB to take a share in Premiere, which the other owners want, but his resolve may be weakening in light of the added pressures from the Bertelsmann-CLT link.

The global players

Sony: music recording, film studio, and electronics.
Value: \$22bn

Time Warner: Turner Film studios, theme parks, books, magazines, cable networks, and television channels (including all-new CNN).
Value: \$21bn

Disney-ABC: film studio, theme parks, TV network, and publishing. Value: \$17bn

Bertelsmann CLT: publishing, electronic media, music recording, film, pay-TV, radio, including stakes in Talk Radio and the new Channel 5 in the UK.
Value: \$14 bn

Viacom: Video rentals, pay-TV, film studio.
Value: \$14bn

News Corp: newspapers, magazines, terrestrial and pay TV, film studio, internet services, and 40 per cent of BSkyB. Value: \$10bn

TCT: cable and pay-TV programming, including 50 per cent of Flextech, a leading UK pay-TV channel package.
Value: \$8bn

The other great advantage of the alliance is one that regulators may not much like. By joining forces, the broadcasters can develop digital television without threatening their existing businesses.

"The alliance means that the nightmare of two or three competing digital systems is receding," Andrea Kirby, media analyst at Daiwa Securities, says. "The general feeling is that they are better off developing

digital jointly, and not having to face competition in their existing markets."

The huge growth in pay-TV in Europe is likely to attract US interest. Given the strict ownership rules in the European Union, no US company will be able to become a broadcaster outright. But programme supply is a wide-open market, and one that will attract the likes of Disney, Time Warner, Viacom and other "content-rich" firms.

IN BRIEF

• **Phytopharm**, the developer of prescription medicines, will be valued at about £60m when it joins the stock market later this month through a share placing. The placing is likely to raise about £16m of which all but £1m will go directly to the company. Phytopharm said the proceeds would be used to promote its products to positions whereby they can generate "significant revenues."

• **Vymura** plans to cut around 60 jobs or 15 per cent of its work force to bring down costs. The cuts will be split between manufacturing and administration and are expected to mainly occur in the second half. Most redundancies will be compulsory. Vymura said it would also spend less on new product development and hold back manufacturing activity to reduce stocks.

• **BICC**, the cables group, said its construction arm, Balfour Beatty, had acquired two of the Infrastructure Maintenance Companies and Track Renewals Company on offer by the British Railways Board. BB is paying £50m for the companies which in the year to March made pre-tax profits of £32m. The businesses come with a number of three- to five-year contracts with Railtrack which expire between 1999 and 2001.

• **Stakis** is making its first casino move outside the UK with the purchase of the International Casino in Gibraltar. It is paying £5.55m in cash for the International, Gibraltar's only casino. Gibraltar's gambling regime is more relaxed than Britain's and the business is actively promoted by advertising. Stakis said there was scope for improving the International's marketing activities.

• **Laird**, the industrial seals to plastic components group, remains confident, despite the fact that lower levels of activity at the end of last year have continued into the early part of 1996. The group shrugged off the subdued second half to produce record pre-tax profits of £66.1m in the 12 months to December, up from £47.7m before. The dividend is being raised 6.2 per cent to 12p, after a final of 7.3p. A £2m loss on the disposal of a business was exactly offset by the contribution from acquisitions. Laird spent £58m on adding new businesses last year, mainly the £40m purchase of Cego, which has been integrated into the existing building supplies operation.

• **McKechnie**, with interests ranging from engineered plastics to metal components, confirmed that it had met more difficult trading in the first half to January, but still raised interim profits 7 per cent to £21.6m. Vanni Treves, chairman, said: "For the rest of this financial year we expect a reduction in destocking and to see further growth from this and previous years' acquisitions."

COMPANY RESULTS

	Turnover £	Pre-tax £	EPS	Dividend
Adams Commercial Equip (F)	64.4m (43.4m)	5.85m (3.74m)	37.3p (23.5p)	22p (22p)
Blackleys (F)	9.73m (10.9m)	-0.58m (0.34m)	-1.74p (0.81p)	0.81p (-)
British Drilling (F)	38.8m (38.1m)	38.6m (38.0m)	8.55p (8.34p)	5.5p (5.5p)
BWH (F)	44.5m (42.0m)	3.44m (3.02m)	5.1p (4.4p)	3.0p (3p)
China Communications (F)	27.5m (17.4m)	2.52m (0.13m)	2.8p (4.7p)	1.42p (0.8p)
City Centre Restaurants (F)	11.1m (10.3m)	15.5m (14.1m)	5.61p (5.01p)	2.24p (2p)
Co-operative Bank (F)	- (-)	36.7m (27.5m)	2.93p (2.03p)	0.67p (0.5p)
Flextech (F)	179.4m (171.5m)	175.0m (168.4m)	4.25p (2.18p)	2.35p (2.25p)
Goldsmiths Group (F)	62.9m (53.1m)	4.66m (3.16m)	15.11p (11.03p)	4.5p (3p)
Harvest Shear (F)	273m (260m)	36.3m (34.8m)	9.04p (8.46p)	3p (2.77p)
Laird Group (F)	686m (734m)	68.1m (47.7m)	33p (26.3p)	12p (11.3p)
Lloyds Chronicle (F)	562m (550m)	25.8m (26.8m)	13.33p (14.04p)	9.7p (9.3p)
McKechnie (F)	255m (255m)	21.6m (20.2m)	16.2p (14.7p)	6p (5.5p)
Ordnance (F)	0.28m (0.12m)	-1.02m (-0.42m)	-6.06p (-3.84p)	nil (-)
Princesale Group (F)	46.2m (42.9m)	2.8m (1.9m)	3.3p (8.9p)	0.7p (-)
Rugby Estates (F)	- (-)	1.05m (2.44m)	4p (11.4p)	2.175p (2.07p)
Serrotech (F)	41.1m (23.3m)	0.89m (1.18m)	18.4p (24p)	13p (13p)
United Industries (F)	60.6m (52.1m)	3.5m (2.2m)	1.35p (1.05p)	0.45p (0.32p)
Vymura (F)	39.2m (39.4m)	2.43m (3.78m)	7.1p (10.7p)	4.7p (-)

(F) = First (F) = Interim

NZ Radio stake for O'Reilly

MATHEW HORSMAN
Media Editor

A consortium backed by Independent Newspapers has won the bidding for Radio New Zealand, the country's largest radio network, outbidding GWR, the fast-growing UK regional radio group.

Independent Newspapers, controlled by Tony O'Reilly, will have a stake of about 15 per cent, held indirectly through two associate companies, New Zealand publishing group Wilsons & Horton and Australian Provincial Papers. The consortium bid NZ\$89m (£40m) for the network.

The deal is conditional on the settlement of a suit brought by the Maori people, who have claimed jurisdiction over broadcasts that traverse their land. The case is expected to be settled soon.

A disappointed GWR, which last month announced a two-stage rights issue in part to pay for the New Zealand acquisition, said yesterday it was cancelling the second stage.

The company said in a statement: "GWR is aware of other opportunities in the Asia Pacific region that offer good potential for growth."

GWR is going ahead with its bid for East Anglian Radio, which has the support of the majority of shareholders. GWR had offered £38m for RNZ and said it would go no higher.

Wainhomes review reassures the City

TOM STEVENSON
City Editor

Wainhomes attempted yesterday to draw a line under recent financial irregularities at its northern subsidiary with the announcement of the results of a review of the housebuilder's management structure and systems.

The market seemed convinced by the findings and the shares closed 1p higher at 85p.

Bill Ainscough, who took over as temporary chief executive following the dismissal of his predecessor Ron Smith, said he was satisfied that the problems were confined to Wainhomes' northern division. But he warned that the hit to profits caused by falsified invoices and valuation irregularities would be more than twice the original estimate of £2m.

Ron Smith, who paid for the incident with his job, is suing the company for wrongful dismissal. He has issued a writ claiming £450,000 to compensate him for damage to his personal dignity and reputation.

In order to implement changes recommended by the review, John Cassidy, formerly finance director of Barratt Developments, has been appointed group operations director. Previously a non-executive director of Wainhomes, he is replaced in that role by Stewart Douglas-Mann, chairman of corporate finance at Guinness Mahon and former managing director of the Stock Exchange.

The review was conducted by Mr Ainscough, Mr Cassidy, Davis, Langton & Everest, a firm of chartered quantity surveyors, and KPMG, the auditors.

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could make you a
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small one?

You're going to wish you'd read this ten years ago.

You might have had £27,700 by now. Roughly speaking, that's the return £6,000 would have made you if our award-winning UK Growth Trust had been available as a PEP since 1986.

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the Stock Market's leading 100 shares.

Because then you'd be down £7,500 since it would have yielded just £20,200. More than 35% short of the 362% return from the Eagle Star fund.

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EAGLE STAR
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The value of the PEP, including reinvested income, can fluctuate and is not guaranteed. Past performance and the performance award from Microcap are based on offer to bid prices for the ten-year period ending 1.1.96. Over 5 years, a £6,000 investment in the Eagle Star PEP would have grown to £12,152. These figures have been prepared as if the current PEP rules applied on 1.1.86. An annual management charge of 1% has been applied to the FTSE Total Return Index. Past performance is not a guide to the future. Tax law is subject to changes that cannot be foreseen. Eagle Star Direct is an introducer to the Eagle Star Marketing Group, members of which are regulated by the Personal Investment Authority and IMRO, for introducing clients for life assurance, pensions and unit trust business.

NEW INTEREST RATES FOR PERSONAL LENDING

With effect from 1st April 1996

	Interest rate % p.a.	Decreased by % p.a.	APR %
Home Loan Rate	7.25	0.24	7.5
Home Improvement Loan Rate: Loans sanctioned before 26.4.89	9.25	0.24	9.5
House Mortgage Rate	7.25	0.24	7.4

CREDIT ARRANGEMENTS WILL BE VARIED ACCORDINGLY

The Listening Bank

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What about those left outside our brave new world?

The French have a certain *je ne sais quoi* when it comes to finding phrases for concepts the English language cannot handle. One of them is the *exclus*, those excluded from the mainstream of the economy and society by homelessness, unemployment or dead-end jobs.

Most of Britain's partners in the Group of Seven industrial countries were keen to discuss at this week's jobs summit in Lille how to re-include the *exclus*. The British ministers were not, robustly asserting that the best way to guarantee social cohesion is simply to create growth and jobs. But theirs is a minority view.

In its annual report on the UK economy, due to be published this summer, the Organisation for Economic Co-operation and Development will criticise the Government's failure to consider policies to re-integrate the poor and unemployed and its failure to halt the increase in inequality. The rich countries' think-tank says these are the top priorities after nearly two decades of focusing on deregulation of the economy.

For the Government's insistence that growth in employment is the be-all and end-all of policy ignores the subtleties of how labour markets are changing in the rich industrial countries. The British Government tells a simple story of an upward trend in unemployment in Continental Europe and over-burdened social security, and falling unemployment in the Anglo-Saxon countries thanks to deregulation and flexibility.

The headline unemployment figures are undeniable but they disguise the mix of job losses in low-skill industries and employment growth in high-skill areas. The Anglo-Saxons and Japan have enjoyed faster growth



ECONOMIC VIEW DIANE COYLE

of higher-technology industries than the Europeans, whether because of active policies such as telecom deregulation or an initial advantage in technology-based industries.

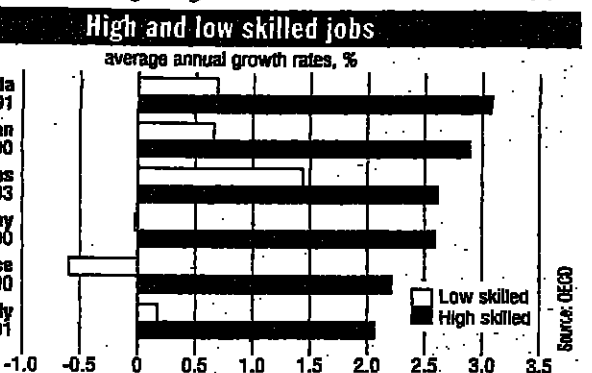
The American delegation to the G7 summit was particularly keen to emphasise this pattern to challenge the perception that most of the massive 8.4 million new jobs created since President Clinton took office have been "McJobs", offering bad pay, grim conditions and worse prospects. The perception is damaging to an administration which has widely said education and retraining the workforce was at the centre of its economic strategy, and which wants to use the same message in this year's Presidential election campaign.

Joseph Stiglitz, chairman of President Clinton's Council of Economic Advisers, said up to 5 million of the 8.4 million jobs fell into high wage

categories, mostly in the service industries. Most were full-time and most paid wages higher than the national average, he added.

It is not surprising that an administration official would want to talk up these achievements, but the pattern of job creation in America and elsewhere was the same in the 1980s. According to a new OECD study* there has been significant jobs growth in high-skill sectors in all the big industrial countries. As the chart shows, average annual growth rates in this type of employment ranged from slightly more than 2 per cent in Italy to more than 3 per cent in Canada. Low-skill employment grew much more slowly, and fell in France and Germany. There are no comparable figures for the UK.

At the same time, wages for high-skill workers have risen while the unskilled have seen their incomes fall.



Foreign Exchange Rates

Country	Spot	1 month	3 months
US	1.5259	8.6	22.19
Canada	2.0895	11.3	30.77
Germany	2.2570	54.48	157.47
France	78253	140.78	371.44
Italy	23833	75.90	221.94
Japan	16371	70.70	225.28
ECU	12142	15.1	45.40
Belgium	46378	29.49	34.29
Denmark	87718	138.65	411.37
Netherlands	2.5259	63.54	185.40
Ireland	0.7972	10.72	32.29
Norway	97793	166.44	329.23
Spain	18029	39.48	104.91
Sweden	1027	9.5	23.34
Switzerland	1227	88.40	187.65
Australia	13523	20.31	67.55
Hong Kong	11801	10.41	224.70
Malaysia	3.8915	0.0	23.07
New Zealand	2.2398	43.57	133.56
Saudi Arabia	5.7227	0.0	14.75
Singapore	2.1439	0.0	14.01

Other Spot Rates

Country	Sterling	Dollar
Argentina	12527	0.9997
Australia	1.5897	1.0000
Brazil	1.5084	0.9970
China	12.980	8.3338
India	5.1069	0.9999
Indonesia	70852	4.6233
Ghana	240571	157.00
Greece	367540	240.82
India	52.079	34.500
Kuwait	0.4571	0.2995

Forward rates quoted high to low at discount; subtract from spot rate to add to spot rate.

*Dollar rates quoted as reciprocals.

For the latest foreign exchange rates call 0800 123 3033.

Calls cost 36p per minute (cheap rates) 48p other times.

Interest Rates

Country	Base	600%	300%	Prime	875%	500%
US	5.00	5.00	5.00	5.00	5.00	5.00
UK	5.00	5.00	5.00	5.00	5.00	5.00
Germany	5.00	5.00	5.00	5.00	5.00	5.00
France	5.00	5.00	5.00	5.00	5.00	5.00
Italy	5.00	5.00	5.00	5.00	5.00	5.00
Japan	5.00	5.00	5.00	5.00	5.00	5.00
Canada	5.00	5.00	5.00	5.00	5.00	5.00
Sweden	5.00	5.00	5.00	5.00	5.00	5.00
Netherlands	5.00	5.00	5.00	5.00	5.00	5.00
Australia	5.00	5.00	5.00	5.00	5.00	5.00
South Africa	5.00	5.00	5.00	5.00	5.00	5.00
India	5.00	5.00	5.00	5.00	5.00	5.00
Indonesia	5.00	5.00	5.00	5.00	5.00	5.00
Malaysia	5.00	5.00	5.00	5.00	5.00	5.00
New Zealand	5.00	5.00	5.00	5.00	5.00	5.00
Saudi Arabia	5.00	5.00	5.00	5.00	5.00	5.00
Singapore	5.00	5.00	5.00	5.00	5.00	5.00

Bond Yields

Country	5y	10y	15y	20y	30y
US	5.00	5.00	5.00	5.00	5.00
UK	5.00	5.00	5.00	5.00	5.00
Germany	5.00	5.00	5.00	5.00	5.00
France	5.00	5.00	5.00	5.00	5.00
Italy	5.00	5.00	5.00	5.00	5.00
Japan	5.00	5.00	5.00	5.00	5.00
Canada	5.00	5.00	5.00	5.00	5.00
Sweden	5.00	5.00	5.00	5.00	5.00
Netherlands	5.00	5.00	5.00	5.00	5.00
Australia	5.00	5.00	5.00	5.00	5.00
South Africa	5.00	5.00	5.00	5.00	5.00
India	5.00	5.00	5.00	5.00	5.00
Indonesia	5.00	5.00	5.00	5.00	5.00
Malaysia	5.00	5.00	5.00	5.00	5.00
New Zealand	5.00	5.00	5.00	5.00	5.00
Saudi Arabia	5.00	5.00	5.00	5.00	5.00
Singapore	5.00	5.00	5.00	5.00	5.00

Money Market Rates

Country	1 Month	3 Months	6 Months	1 Year
US	5.00	5.00	5.00	5.00
UK	5.00	5.00	5.00	5.00
Germany	5.00	5.00	5.00	5.00
France	5.00	5.00	5.00	5.00
Italy	5.00	5.00	5.00	5.00
Japan	5.00	5.00	5.00	5.00
Canada	5.00	5.00	5.00	5.00
Sweden	5.00	5.00	5.00	5.00
Netherlands	5.00	5.00	5.00	5.00
Australia	5.00	5.00	5.00	5.00
South Africa	5.00	5.00	5.00	5.00
India	5.00	5.00	5.00	5.00
Indonesia	5.00	5.00	5.00	5.00
Malaysia	5.00	5.00	5.00	5.00
New Zealand	5.00	5.00	5.00	5.00
Saudi Arabia	5.00	5.00	5.00	5.00
Singapore	5.00	5.00	5.00	5.00

Tourist Rates

Country	1995	1996
Australia	1.5897	1.0000
Canada	2.0895	1.0000
Germany	2.2570	1.0000
France	78253	1.0000
Italy	23833	1.0000
Japan	16371	1.0000
ECU	12142	1.0000
Belgium	46378	1.0000
Denmark	87718	1.0000
Netherlands	2.5259	1.0000
Ireland	0.7972	1.0000
Norway	97793	1.0000
Spain	18029	1.0000
Sweden	1027	1.0000
Switzerland	1227	1.0000
Australia	13523	1.0000
Hong Kong	11801	1.0000
Malaysia	3.8915	1.0000
New Zealand	2.2398	1.0000
Saudi Arabia	5.7227	1.0000
Singapore	2.1439	1.0000

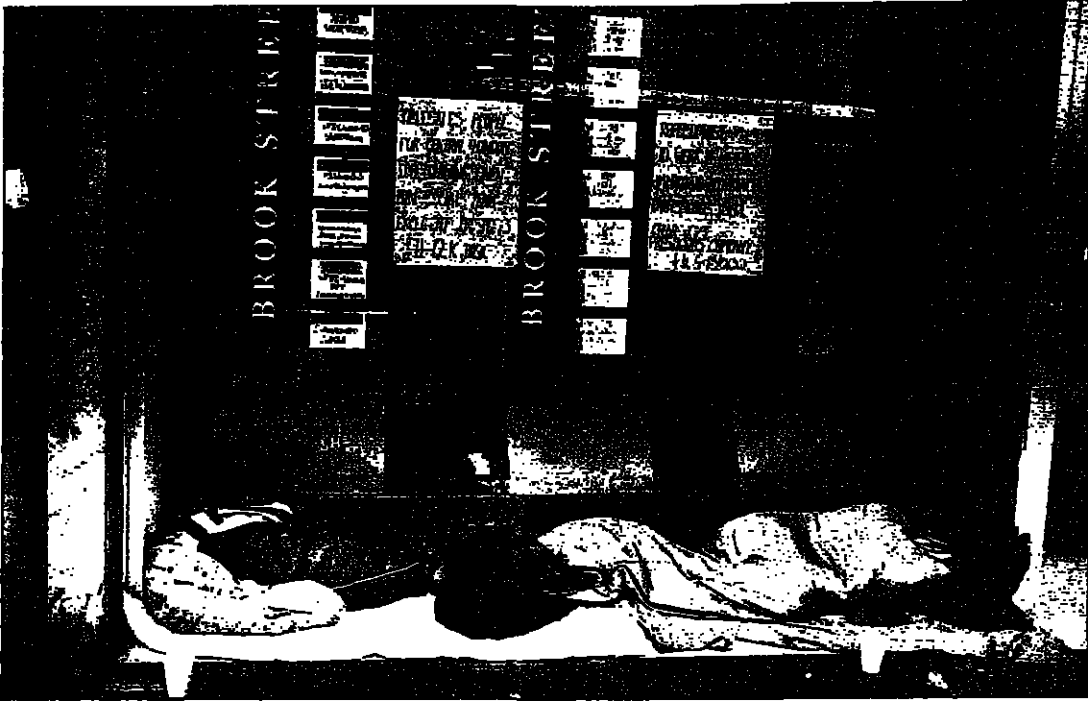
The laws of supply and demand have reflected the change in the types of work available and the shortage of workers with suitable skills for the growing industries. Income inequality has increased most in the US and UK, and least on the Continent.

The change in Britain's income distribution since the end of the 1970s has been dramatic. Inequality has grown faster than in any other developed country except New Zealand, according to last year's Rowntree Inquiry into income and wealth. Incomes of the poorest tenth of the population were the same in 1992 as in 1979, while those of the richest tenth increased by 57 per cent. However, spreading inequality is common to all the industrial nations. The OECD comments: "Overall, there is substantial evidence that the situation of unskilled workers has deteriorated in absolute terms."

Its report is nevertheless optimistic about the longer-term outlook for employment and prosperity. Information technology, by making knowledge a commodity that can be easily transmitted and traded, has laid the foundations for what its researchers call a "knowledge-based economy". Building on these should deliver faster productivity growth and increasing prosperity.

The OECD cites the multimedia industry as an example of how this favourable process can work. Huge new demand for its services has given rise to significant creation of good jobs for skilled workers. The conditions for this to happen were in place in the US and UK, where government policy had fostered competition and encouraged new firms to enter the market.

This is great news for people who already have the skills to work in the



The excluded: People left out of society by virtue of homelessness, unemployment or dead-end jobs were on the agenda at the G7 jobs summit

Photograph: Gerald Lewis

new knowledge-based industries. An obvious message for governments is that they need to make sure the education system produces more of this kind of worker. Education is central to a good economic performance.

More than that, it is an essential element in halting the polarisation between those with the skills needed in our knowledge-based economies and the *exclus*. For all the apparent differences between the industrial countries in their success in job creation, they are all the same in this respect. They have a skilled, well-paid core workforce and a periphery of people

who are trapped with low incomes and dim prospects.

People in this periphery might be unemployed, holding a badly-paid unskilled or part-time job, working mainly in the underground economy (also badly paid and low-skill) or involved in crime. The mix differs - for example, the Americans have more criminals and fewer unemployed. Britain's underground economy has accounted for a sizeable 10-12 per cent of GDP since the mid-1980s, and needs to be seen as another facet of the unemployment problem. But the general picture is the same across countries.

Recognition of this common problem lay behind the summit's emphasis on social cohesion. The ministers in Lille were unanimous in accepting the need to embrace the opportunities presented by the tidal wave of technical change and increased competition. Most were optimistic about the resulting employment prospects. But the British Government was alone in refusing to admit that those excluded by this process could be ignored for another 10 or 20 years.

*Technology, Productivity and Job Creation. OECD, April 1996.

Life Financial Futures

Contract	Settlement price	High/Low for day	Est/Cont	Open interest
Long Gt (Jun 95)	105.18	105.22-105.06	352.9	120925
Long Gt (Sep 95)	98.72	98.87-98.55	120.8	222390
JCB Bond (Jun 95)	119.58	119.58-119.54	259.8	0
Italian Bond (Jun 95)	109.15	109.15-109.11	380.2	0
3M Sterling (Jun 95)	93.95	93.96-93.93	58.6	794.9
3M Euro (Jun 95)	93.77	93.78-93.74	6.4	574.0
3M Euro (Sep 95)	96.78	96.78-96.74	294.0	0
ECU (Sep 95)	96.70	96.73-96.68	168.0	240.4
ECU (Jun 96)	95.47	95.48-95.44	12.7	83.4
ECU (Sep 96)	95.48	95.48-95.44	2.6	30.9
ECU (Dec 96)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 97)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 97)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 97)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 97)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 98)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 98)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 98)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 98)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 99)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 99)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 99)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 99)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 00)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 00)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 00)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 00)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 01)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 01)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 01)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 01)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 02)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 02)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 02)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 02)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 03)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 03)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 03)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 03)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 04)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 04)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 04)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 04)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 05)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 05)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 05)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 05)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 06)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 06)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 06)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 06)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 07)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 07)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 07)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 07)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 08)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 08)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 08)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 08)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 09)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 09)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 09)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 09)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 10)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 10)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 10)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 10)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 11)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 11)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 11)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 11)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 12)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 12)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 12)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 12)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 13)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 13)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 13)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 13)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 14)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 14)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 14)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 14)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 15)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 15)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 15)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 15)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 16)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 16)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 16)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 16)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 17)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 17)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 17)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 17)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 18)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 18)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 18)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 18)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 19)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 19)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 19)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 19)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 20)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 20)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 20)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 20)	95.49	95.49-95.44	2.6	30.9
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ECU (Dec 21)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 22)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 22)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 22)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 22)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 23)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 23)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 23)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 23)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 24)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 24)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 24)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 24)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 25)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 25)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 25)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 25)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 26)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 26)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 26)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 26)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 27)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 27)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 27)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 27)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 28)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 28)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 28)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 28)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 29)	95.49	95.49-95.44	2.6	30.9
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ECU (Dec 29)	95.49	95.49-95.44	2.6	30.9
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ECU (Sep 30)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 30)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 31)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 31)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 31)	95.49	95.49-95.44	2.6	30.9
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ECU (Mar 32)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 32)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 32)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 32)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 33)	95.49	95.49-95.44	2.6	30.9
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ECU (Sep 33)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 33)	95.49	95.49-95.44	2.6	30.9
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ECU (Jun 35)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 35)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 35)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 36)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 36)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 36)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 36)	95.49	95.49-95.44	2.6	30.9
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ECU (Jun 38)	95.49	95.49-95.44	2.6	30.9
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ECU (Dec 38)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 39)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 39)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 39)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 39)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 40)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 40)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 40)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 40)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 41)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 41)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 41)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 41)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 42)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 42)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 42)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 42)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 43)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 43)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 43)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 43)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 44)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 44)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 44)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 44)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 45)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 45)	95.49	95.49-95.44	2.6	30.9
ECU (Sep 45)	95.49	95.49-95.44	2.6	30.9
ECU (Dec 45)	95.49	95.49-95.44	2.6	30.9
ECU (Mar 46)	95.49	95.49-95.44	2.6	30.9
ECU (Jun 46)	95.49	95.49-95.44		

sport

'Football clubs are the lifeblood of the FA and supporters are the lifeblood of the clubs. Sunday showed that we are reaching breaking point'

Mr T J Kehoe
Sir: Liverpool have an average gate just short of 40,000 and they have always had a loyal support and will keep it as long as people can afford to attend.

The unsold tickets for the FA Cup semi-final are testimony to the fact that supporters can only go so far where large amounts of money are concerned. I attended the match on Sunday but with a family to support the financial strain of supporting a football team is harder to bear.

The football clubs know that their hard core support will go to amazing lengths to watch their beloved team and are therefore not vociferous enough in protesting to the FA about their disgraceful pricing policy. Football clubs are the lifeblood of the FA and supporters are the lifeblood of the clubs.

Sunday showed that we are reaching breaking point. Be warned.

Yours,
T J KEHOE
Ormskirk,
Lancs

From Mr D O Shaughnessy
Sir: Disappointed? Outraged? Tired of the same old rhetoric? I'm afraid that the FA may listen to our concerns and griefs, but will anything change?

They have already stated they will not be reviewing their ticket pricing policy. Before the questions are asked, they produce inappropriate answers. The point was not the prices, even though they were almost twice the price of the majority of top tickets for most premier league grounds. The grievance was the number of low priced tickets made available.

The FA also have a lot to answer for the dreadful programmes that were on sale. This is a comparison between that programme and the Liverpool v Portsmouth semi-final programme in '92. Both had 48 pages. Price: £3 to £1.50. Full page Ads: 16 to 4. There is no excuse for this pathetic effort of a programme at £3.

What will we be offered for the final? Twice the price for twice the advertisements? Need

we even start the question of ticket allocations for the final?

It is simply not fair the treatment of the supporters by the FA and clubs alike. But as usual, they may listen, but will anything change?

Yours sincerely
DAVID O SHAUGHNESSY
Mount Merrion
Dublin

From W Foy

Sir: "Tickets are going to cost more for 'special games'," a quote from Graham Kelly (*Independent*, 3 April).

Perhaps it is pertinent to remind Graham Kelly that genuine football supporters pay hundreds of pounds annually in season tickets for the privilege of attending "special" games.

My club (Manchester United) have a ticket allocation system whereby unless supporters are season ticket holders or members with specified numbers of tokens it is impossible to obtain tickets for "special" games.

Inflated prices for "special" games will guarantee those with

THE GREAT TICKET DEBATE

The empty seats at the FA Cup semi-finals, and the Football Association's response to subsequent charges that their prices were too high, have attracted an enormous response from *Independent* readers. Here we print a selection of your views

fat wallets get seats at semi-finals or cup finals and also keeps the scourge of sport - the touts in a thriving business.

The genuine football supporter has, by the time semi or final games arrive paid enough through turnstiles to warrant either parity with league games or indeed a reduction.

Graham Kelly is, and always has been, out of touch with the feelings and views of football supporters, his reception at football grounds throughout the country is clear evidence of this.

W Foy
Warrington, Cheshire

From Mr R Lindley
Sir: As a Leeds fan I paid £42 to watch the Coca-Cola Cup final at Wembley. For this I got an unusually uncomfortable seat with a view of one of the goals completely blocked by a column.

I tend to go to more away games in London than I do home games at Elland Road and away fans tend to get put in the most dilapidated areas of grounds. To be fair I have seen a great improvement in the quality of facilities for away supporters following the Taylor Report and often without a major increase in prices.

Yours sincerely
RICHARD LINDLEY
London NW1

By comparison Wembley is without a doubt the most squalid, decrepit and inadequate venue I've been to for several seasons. Obviously I would have paid almost anything for a ticket - I was seven last time Leeds were at Wembley - but to have to pay £42 for a crap seat in a crap stadium just because the twin towers are famous is unbelievable. It's no surprise that no one goes to England games any more.

Yours sincerely
RICHARD LINDLEY
London NW1

From Mr N Rose
Sir: I've been feeling very smug for two years. That's how long I've had my mid-price tickets for all six Euro 96 games at Wembley, bought with barely a second thought at a cost of £290, averaging £48.33 per game. After all, I recognised the FA had me over a barrel if I wanted to go and wanted to be able to see. For the final, Wembley's worst seats (pitch level, behind the fences, terrible view, usually an exorbitant £16 for England games) are

£50. Mine cost £95. I can just see the pound signs ringing up in Graham Kelly's eyes.

So, given the amount of interest they must have earned on supporters' money since Euro 96 tickets went on sale over two years ago, I bet it's the FA who are feeling smug now.

Yours,
NEIL ROSE
London NW11

From Mr K Flett

Sir: Like quite a bit else in our sport these days the debate over football ticket prices is to do with social class. Ticket prices are already so high and season ticket arrangements so expensive and complex that football is in danger of becoming a game for middle-class spectators, with the working class watching it on television or reading about it in the paper.

Does this matter? It depends on your view of what the role is of sport in society. One thing is certain. The fact that it has happened is largely due to developments since 1979. One wonders what New Labour thinks about ticket prices.

Yours sincerely
KEITH FLETT
London N17

From Mr I Fall
Sir: The prices for FA Cup semi-final tickets were a disgrace. If every ticket had been £10, that would have meant receipts of £500,000 at Old Trafford - how can the FA justify charging more?

The profits made by the FA do not seem to be put into football at grass roots but to increase the already bloated salaries of executives too weak to do anything positive to improve the game. Graham Kelly's article in the *Independent* (3 April) only served to confirm this view.

The FA have become the ultimate ticket touts, selling only to the highest bidder. It is unreasonable to expect genuine supporters to fork out vastly inflated prices for tickets.

In addition, as all tickets are printed by computer, surely it would be simple enough to add the buyer's name on the ticket, which would then prohibit touts selling tickets on. If the name on the ticket does not match your proof of ID, you don't get in.

There are too many vested interests within the FA for anything to be changed. As usual, the real supporter loses out.

Yours faithfully
IAN FALL
London W4

From Mr D Levey

Sir: The Premier League and FA are "milking" the fans. This provides a marvellous opportunity for enterprising Endsleigh League clubs to provide affordable entertainment to those who can no longer pay the "big clubs" prices each week.

Shrewd marketing and good sales techniques will enable Endsleigh League clubs to benefit from lower ticket prices by increasing sales of other products such as food, programmes and merchandise. It is almost the dream scenario for a marketing and sales executive. The competition is pricing itself out of reach!

Yours faithfully
DAVID LEVEY
Gerrards Cross
Bucks

From Mr J R Lea

Sir: My son and I attended the Liverpool v Aston Villa semi-final at Old Trafford last Sunday. The tickets were £38.

When I was told how much the tickets were I was very angry and said that I wouldn't go, but because it's important to me, I relented in the end and went.

It's not a question of money. My wife and I are professional people with a good income, my son is also working. We have worked hard for what we have and while we can afford the tickets, we hate being "ripped off". We respect value for money.

Everybody knows the price of the tickets was too high. The FA are the most pompous set of individuals, who would have gained some respect if they could at least have admitted being wrong and greedy.

The FA are arrogant, ignorant and out of touch and will kill the Golden Goose if they are not careful.

Yours,
JOHN R LEA
Rochdale

From Mr M Nixon

Sir: The Football Association cannot justify inflated prices for major matches unless it can also guarantee every seat is used.

Perhaps the FA should issue all unsold tickets (within, say, 48 hours of the kick-off) free to local schools and junior football organisations. This would prove particularly beneficial for England's warm up campaign for Euro 96 and give younger players and supporters the oppor-

tunity to share our national sport at the highest level.

Yours,
MICHAEL NIXON
Basildon

From Mr W J Gaskill

Sir: I am a Leeds United supporter. Ticket prices at Elland Road went up by about 250 per cent after the team was promoted from the old Second Division. This was condemned by the majority of the fans, but supported by me. It is received wisdom, particularly among people who do not attend Elland Road regularly, that admission prices are too high. The same philosophy encourages mindless criticism of the board and manager, which I find very tedious.

The average league gate at Leeds home games is just over 33,000. The stadium capacity is 40,000. In other words, for most home games the stadium is 17.5 per cent empty. Hence there would be no financial benefit to the club of slashing prices by the huge amount advocated by many non-numerate critics.

Cup games may be a different matter. A league programme plus a lengthy run in both cups is a test of endurance, and the FA Cup quarter-final against Liverpool (attendance: 24,000) demonstrates that the amount of money the fans can spend on tickets is finite. Surely a statistician should be able to work out fairly accurately where the compromise between high prices and a full stadium lies.

Top English clubs must place their finances on a sound business footing if they are to compete in Europe. The only interest that should matter to the staff and supporters of a football club is the good of the club. Therefore the fans should do their sums before complaining about ticket prices, and the board should not regard the club as a means of getting rich.

Football, just like every other human activity, takes place in a changing cultural and historical setting. As the economic structure of the nation changes, the way that football is financed must also change. The days of crackly black and white pictures of 200,000 people crammed into Wembley Stadium are gone forever. Ticket prices may be too high but I doubt by more than 30 per cent at the most. There is no rational way that those elusive qualities, atmosphere and entertainment, can be used as a basis for a pricing plan.

Yours faithfully,
WILLIAM J GASKILL
Leeds LS17

From Mr B Slater

Sir: Last year I attended my (and my club's) first major cup final at Wembley for 37 years - the Coca-Cola Cup final. I decided to pay the second-highest prices (£40 I think) to get good seats. We ended up in the higher tier against the barrier where the "end-zone" seats begin about 30 yards behind the nearest goal-line and behind a roof support obscuring the nearer goalmouth. Not even the most creative marketing mind could justify the price bracket of those seats.

We booked the second-highest priced seats for the European Championship games at Wembley this summer - I'm dreading where they may be.

Yours,
BERNARD SLATER
London N22

From Mr D Percival

Sir: I would like to comment on the statement by the FA Spokesman, Steve Double, that all the seats at Old Trafford afford good views. Mine was in the lower tier of the north stand. When the ball went down to the other end of the pitch, everybody had to stand up.

Gradually people remained on their feet and some people started standing on their seats to be able to see the game at all.

My ticket was £38 so goodness knows where those people who paid £14, £22, and £30 were herded off to.

Yours faithfully
DAVID PERCIVAL
Liverpool L18

From Mr S Van de Borch

Sir: Glenn Moore rightly says the Football Association sees fans as cash cows. Now is the time for the FA to learn from recent experience, before there is an outbreak of mad cash cow disease.

Yours sincerely
SIMON VAN DE BORGH
Horsham, West Sussex

From Mr S Pryke

Sir: Simple explanations are often the best. Can anyone seriously suggest any other fons why Liverpool and Villa fans stayed away from Old Trafford on Sunday other than the exorbitant ticket prices? Does Graham Kelly think that fans were worried that they would miss the first part of Songs of Praise?

Yours faithfully
SAM PRYKE
Chester

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HUGH BATESON

Already, the teams for the England A versus the Rest fixture, at Chelmsford from 20-23 April, have had to be chosen by Illingworth alone in the ab-

Football



Badminton

Ardy Wiranata, the former all England champion and silver medallist at the Barcelona Olympic games in 1992, has not qualified for the Atlanta games. The Indonesian game is so strong that he is rated only fourth in his own country.

Rugby Union

le of the season. "Mark did well
beat me and kept his mind on
the job," said the six-times world
champion. "I am a bit shattered

Snooper

"I have been a bit short of matchplay recently but believe in going to The Crucible

Ice hockey

Beats Harris

Squash

-10 to reach a second-round match against the French champion Julien Bonetat. In the women's event, Sue Wright advanced to a second-round match against No 2 seed Leah FitzGerald, joining

100

FRANCE * AUSTRIA
* ITALY

Carding Premiership	16 Southend vs Walsford	-1	34 Mansfield vs Preston	-2	50 Hastings vs Crawley	-1	By Pats St-Germain (7.30).
17 Sudbury vs Southampton	-1	35 Wetherby vs Colchester	-1	51 Merton Twp vs Newport	-1		
18 Woking vs Barnesley	-1	36 Rochdale vs Barnsley	-1	52 Salisbury vs Dorchester	-1		
Second Division				53 Stafford vs Ilkeston	-1		
19 Bradford vs Rotherham	-1			54 Sudbury Town vs Rushden	-2		
20 Bradford vs Carlisle	-1			55 VS Rugby vs Graysley	-2		
21 Bradford vs Darlington	-1						
22 Bradford vs Doncaster	-1						
23 Bradford vs Huddersfield	-1						
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SPORT

THE AMERICAN REVOLUTION

Major League Soccer kicks off

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THE GREAT TICKET DEBATE

Your verdict on the FA

30

Chairman of Wigan charged with fraud

The Wigan chairman, Jack Robinson, and another director of the club were last night charged with conspiracy to defraud.

Robinson and fellow-director John Martin had been arrested at their homes in the town earlier in the day, and were released on police bail to appear before Wigan Magistrates Court on 8 May. Martin's son-in-law, the Great Britain and Wales prop forward, Neil Cowie, was also arrested and was later released without charge.

The three were questioned for several hours at Wigan police station in connection with allegations made by the *Wigan Observer* of an attempt to extract money from the paper.

The *Observer*, a director of the game's most successful club since 1980 and the chairman since 1992, tried to inflate potential libel damages from the paper by suggesting that a transfer deal to take Cowie to Leeds had broken down because of an inaccurate article. Leeds subsequently denied ever having had any intention of signing him.

The paper passed a dossier on the matter to the police last month and inquiries have been taking place since then.

Robinson, a local antiques dealer, has been a key figure in Wigan's rise to a position of unrivalled supremacy in British rugby league. One of the original "Gang of Four" that took over the running of the club 16 years ago, he has sustained the success achieved under Maurice Lindsay since taking over as the club's figurehead four years ago.

There have been recent problems, however, notably when Wigan failed to pass on £100,000 from a Centenary World Cup match to the Rugby Football League, which later fined them £15,000. After the fine, Wigan's accountant resigned.

The club's problems were compounded when they were beaten in the Silk Cut Challenge Cup, for the first time in nine years, at Salford in February, thus denying them their now customary annual place in the Wembley final.

The weekly *Wigan Observer* later alleged that a number of Wigan players had spent the build-up to the match drinking heavily on a holiday in Tenerife.

The club denied the allegations, pointing out that one of the named players - Cowie - had not even been there.

The paper later received a solicitor's letter giving notice of an intention to seek libel damages. It is those potential damages that are the subject of the current inquiries.

Cowie, aged 29, joined Wigan from Rochdale Hornets in 1991, played for Great Britain in the 1993 and for Wales in the Centenary World Cup last year. He had been expected to play for Wigan at St Helens tomorrow.

Cowie's father-in-law, Martin, the owner of the Riverside Club at Central Park, joined the board in 1992.

The arrest of as prominent a figure as Robinson is a major embarrassment for the game in the same week as its leap into the unknown with the start of Super League and summer rugby.

The game's board of directors and its governing body, the Rugby League Council, met at Central Park yesterday, with the allegations against Robinson expected to be on the agenda.

No statement on the Wigan chairman's plight was forthcoming from the League yesterday, nor from the Wigan club itself.



Robinson: Arrested at home

Feyenoord are threatened by hooligans

Football

The spectre of hooliganism hangs over Feyenoord's attempt to capture the one European trophy to elude them. The Dutch Cup holders, who won the Champions' Cup in 1970 and the UEFA Cup in 1974, meet Rapid Vienna in the first leg of the European Cup-Winners' Cup semi-final tonight.

Feyenoord supporters have already been barred from travelling to Vienna for the second leg in two weeks' time after trouble with Borussia Mönchengladbach fans in last month's quarter-final.

The Feyenoord chairman, Jorin van den Herik, who has asked UEFA, football's European governing body, to lift the ban, warned: "A single firecracker could cause huge damage for this club."

Rapid, who are visiting Rotterdam for the first time since losing to Everton 3-1 there in the 1985 Cup-Winners' Cup final, have proved to be the dark horses of the competition.

They scored a comprehensive 4-0 aggregate victory over Dynamo Moscow in the quarter-final and the Feyenoord coach, Arie Haan, said: "Rapid are hard in duels, strong in the air and good in combinations, a typical example of the Austrian school. Austrians are more clever and frivolous than Germans and you see that in their play."

Haan has almost a full-strength squad available, with only the defender Henk Fraser ruled out. Rapid will be looking to the former Cologne striker, Carsten Jancker, who scored twice against Dynamo, to clinch a crucial away goal. Prvoslav Jovanovic returns in midfield after missing the match in Moscow through suspension.

However, the Rapid coach, Ernst Dokuil, was being circumspect as he arrived with his squad in Rotterdam.

"Tension is running high," he said. "But I am a realist. And my realism tells me that we have advanced into realms where we do not belong, at least not yet."

In the other European Cup-Winners' Cup semi-final, Paris Saint-Germain's influential Brazilian midfielder, Rai, has withdrawn from the first leg against Deportivo La Coruña, which may prove crucial to the French club's chances of success against the Spanish side. A thigh injury which could also keep Rai out of the second leg in two weeks' time.

By contrast, Deportivo's Brazilian striker, Bebeto, has struck a rich vein of form. He scored a crucial goal in the quarter-final victory over the holders, Real Zaragoza, and is in no doubt that Deportivo, playing in their first European semi-final, can keep the trophy in Spain.

"We're going to win the Cup," said Bebeto, who has now

settled his differences with the Deportivo coach, John Toshack, after being dropped earlier in the season.

Toshack's hopes of fielding a full-strength side have been thwarted by the absence through injury of the midfielder Mauro Silva and the defender Nando, but he is otherwise able to field his strongest line-up.

For Paris Saint-Germain, the striker Patrice Loko is out of form and unlikely to start the match while Youri Djorkaeff is slowly recovering from an injury which has kept him out of action for more than a month, while the defenders José Cobos and Stéphane Mahe are also doubtful.

The problems are mounting for the coach, Luis Fernandez, who must also be concerned about his team's slump in league form.

"We won't know who is fit to play until the last minute. In my mind, except Rai, everybody is," Fernandez said. "Deportivo knocked out the title holders in the previous round, have twice finished runner-up in their championship in the last two World Cup winners (Bebeto and Mauro Silva)," he said.

"I still say we have to score at La Coruña, and especially not back away. The match in Spain is super-important. We have to give everything."

A 3-2 home defeat by Metz at the weekend, their fifth loss



Latin steps: Jorge Soto, of Sporting Cristal, (left) challenges Defensor Team's Antonio Vidal in the Libertadores Cup in Lima, Peru. Photograph: AP

in eight games, meant that PSG surrendered the leadership to Auxerre.

However, the French side are not unduly concerned by their poor league form. "Losing against Metz has got nothing to do with the Cup-Winners' Cup," the defender Alain Roche said.

"Last year we were 15 points behind Nantes, but we still beat Barcelona."

Fernandez added: "A 2-1 loss

in La Coruña would be fine, because I'm confident the second leg will be very hot, especially as all our injured players will be back by then."

With Bordeaux expected to reach the UEFA Cup final after their 1-0 win at Slavia Prague on Tuesday night, and Nantes engaged in the latter stages of Champions' Cup, PSG will be determined to keep the *Tricolore* flying in European competition.

Shearer 'hopeful' of return

Blackburn are "hopeful" that Alan Shearer will make his return against his old club, Southampton, at The Dell, on Saturday, quashing speculation that he could be out for the season.

Shearer is responding well to a treatment and rest programme on a groin injury, which kept him

out of the home defeat by Everton last weekend and broke a sequence of 107 consecutive League appearances.

"We are hoping that Alan will be back in training towards the end of the week and the injury is responding well," the club physiotherapist, Steve Foster, said.

However, news of the imminent return of the Premier-ship's leading scorer was tempered by Lars Bohinen's continuing struggle to regain fitness after missing seven games with a calf strain sustained during an international appearance against Spain.

Gough ready to return

Richard Gough, the Rangers captain, and his fellow defender David Robertson could be back in contention for Rangers' Tennents Scottish Cup semi-final against Celtic at Hampden Park on Sunday.

The Rangers manager, Walter Smith, will definitely welcome back his first-choice goalkeeper, Andy Gorm, while the two defenders, missing through injury for several weeks, are progressing well.

The news over Gorm will hardly be welcomed at Celtic Park. On more than one occasion this season, the Rangers goalkeeper has denied Celtic with a string of superb saves. After the goalless Old Firm encounter on New Year's Day, Celtic's manager, Tommy Burns, said: "You can engrave on my tombstone Andy Gorm broke my heart."

Gorm's heroics have been partly responsible for Rangers' unbeaten record in five games against their Glasgow rivals this season. Looking ahead to

Sunday, Smith said: "It will be a difficult game to call because most of the league games between the sides are played like cup ties."

"I don't think Celtic will do anything different from the previous matches, but nothing prepares you for this fixture. You can never go in saying you are completely confident, although that is not to say you don't have faith in your own players."

Meanwhile, Scottish football's man of the moment, Ally McCoist, said victory on Sunday would mean more to him than his hat-trick in last Saturday's 4-2 win at Raith Rovers. McCoist, who was yesterday named Bell's player of the month for March, said: "If we can get through the season undefeated by Celtic, we will be in the final. It is as simple as that."

"I am really fired up for the game, and you always want to be involved in the Cup final. It is a great occasion. Celtic have been taking the plaudits this season -

partly because they haven't done well in recent years, so people can see their improvement. But that doesn't bother us, because we only have to look at the fact that we are several points better off now than we were this time last season."

The 33-year-old Rangers striker - who scored the only goal in Scotland's victory over Australia last week when he captained his country on the occasion of his 50th cap - faces one of the toughest decisions of his career this summer when his Ibrox contract finishes.

Offers from the United States or Japan could surface but Rangers will be keen to keep their striking legend for a little while longer at least. McCoist said: "We will sort something out. I am sure - but there's always a chance that I won't stay. "If I get another year or two, I'll be delighted but, in the meantime, I don't want anything to undermine our chances in the championship race and of reaching the Cup final."

Robson targets £2.5m Beto

ALAN NIXON

For Middlesbrough, it seems two Brazilians are just not enough. Bryan Robson is poised to sign a young Brazilian striker, Beto, in a £2.5m deal.

The Middlesbrough manager has had talks with Beto's club, Botafogo, and hopes to secure the signing of the highly rated 20-year-old forward within the next week. Beto is one of the top young talents of Brazilian football and has helped his country qualify for the summer Olympic Games. He has already appeared in the full national side.

Robson's contacts in South America have advised him that the top prospect wants to come to Europe and the Middlesbrough manager has moved in first to set up the transfer. Beto is keen to come to England and the chance to follow Juninho and Branco to Teesside is a big attraction - and he could be the

answer to Robson's prayers up front. Beto has played alongside Romario in the national team and many experts in South America believe he will become a bigger name than the World Cup winner.

Robson has been given funds to spend to improve his team after their dreadful second half of the season - and Beto is apparently just one of three top signings that fans at the Riverside Stadium can look forward to. The club's chairman, Steve Gibson, has pledged to give Robson up to £10m to bring the right men to his club in a summer spending spree.

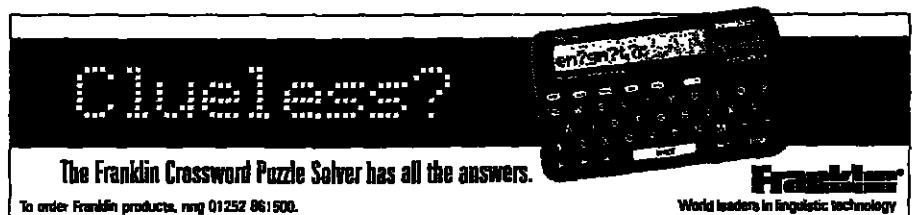
Mark Hughes was yesterday ruled out of Chelsea's Easter programme after the Football Association gave him a two-match suspension and a £1,000 fine for accumulating 45 disciplinary points. The Welsh international, in his first season at Stamford Bridge since moving from Manchester United for

£1.5m, had been ordered to appear before a special FA commission after accumulating 14 yellow cards, 11 of them in the Premiership.

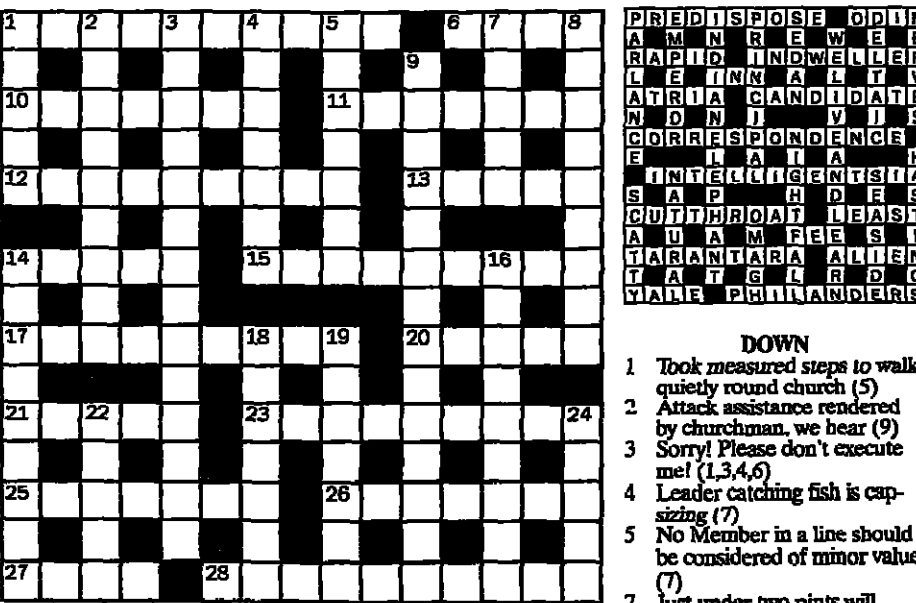
Hughes has already missed seven matches this season through suspension. He is now out of Chelsea's home game against Aston Villa on Saturday and the trip to Bolton on Easter Monday. The Leeds midfielder, Mark Ford, can expect a similar punishment after also reaching 45 points - he will learn his fate by post as he was on duty with Leeds yesterday and was excused attendance at the hearing.

The Manchester United manager, Alex Ferguson, has denied asking the European Cup semi-finalists, Panathinaikos, about their Greek international winger, Yorgos Donis. "We're watching players all over Europe but we have not been in touch with Panathinaikos," Ferguson said.

THE INDEPENDENT CROSSWORD



No. 2952, Thursday 4 April By Phil Wednesday's solution



- ACROSS**
- Hampered eating, being choosy? Not entirely well-mannered when tucking in (10)
 - Dandy consuming student's turkey (4)
 - Admit formerly interrupting recording with ultimate in noise (7)
 - Artist capable of producing some art, if moved (7)
 - Abandoned working in "home improvement"? Wrong after one's invested (9)
 - Small and displaying adolescent behaviour? (5)
 - United supporters returned in a hopeless state (5)
 - Duck for ancient chap, according to Spooner (6-3)
 - Little cost, hence pass can be distributed (9)
 - Individual in Australia, say, providing gas (5)
 - This affair could make one grieve endlessly (5)
 - Docker's girl died in shop (9)
 - End of mine? Certainly product of mine is a blot on the landscape (7)
 - Player - one is in orchestra area (7)
 - Can bridge player get the point? (4)
 - Take in the linen, after folding yard, along with the rest of the fabric? (10)
- DOWN**
- Took measured steps to walk quietly round church (5)
 - Attack assistance rendered by churchman, we hear (9)
 - Sorry! Please don't execute me! (1,3,4,6)
 - Leader catching fish is cap-sizing (7)
 - No Member in a line should be considered of minor value (7)
 - Just under two pints will have you blazing about! (5)
 - Rely on PPE, when banded about, to produce gas! (9)
 - Coming out on top in front of boyfriend is an indicator of life on the shelf! (4,6,4)
 - Religious life coming from US city, nothing less (9)
 - European firm gets no obscure stuff from financial adviser (9)
 - Exercises lifting stone required by a German sculptor (7)
 - Get wet through on edges of large church feature (7)
 - Love can trap English, in the main (5)
 - Guard denied initial access (5)

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The WORLD of OLIVER & CLAIRE

TO SEE US, JUST TURNOVER

TURNOVER? YOU'LL HAVE TO SEE MY ACCOUNTANT ABOUT THAT.



SEE THEM ON PAGE 30